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Japan

Car Bomb Explosion Reported Near Akasaka Palace

OW2503120793 Tokyo NHK General Television Network in Japanese 1000 GMT 25 Mar 93

[From "NHK News" program]

[Text] Tokyo Metropolitan Police have just announced that a car in a parking lot near the Akasaka Palace [the crown prince's residence] exploded and burned. Police suspect that political extremists may have been involved in the incident.

At around 1830, a car was consumed by flames following an explosion at a parking lot in Wakaba, Shinjuku-ku. No injuries were reported. The parking lot is about 800 meters northeast of the palace.

Police said they found something similar to a set of pipes sticking out of the opened trunk of the car. They also said they found unidentified fragments scattered on the street about 300 meters south of the explosion site.

Imperial System Protest Suspected

OW2503142793 Tokyo KYODO in English 1406 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—A projectile was fired from a car parked near the Akasaka Palace in Tokyo on Thursday evening, but nobody was injured in the incident, police said. Police suspect the projectile, fired from a home-made launcher in the trunk of the car, was aimed at the palace and that extreme leftists opposed to Japan's imperial system might be responsible.

The projectile was fired at around 6.30 P.M. and landed about 100 meters from the car, which was parked in a lot some 700 meters north of the Akasaka Palace.

The police found fragments of piping and metal in the vicinity, and also discovered that the trunk of the car had been ripped apart, suggesting that the launcher itself exploded at the moment of firing. They are reportedly looking for three people who entered the parking lot around 6:15 P.M. in a high-class Japanese car, which was discovered later to have forged license plates.

They think the suspected attack may have been intended as a protest at the scheduled visit to Okinawa in late April by Emperor Akihito and Empress Michiko or the June 9 wedding of Crown Prince Naruhito and Masako Owada. The incident would be the eighth attack by extremists since the beginning of this year and the third involving explosives.

Watanabe Explains Stand on Aid to Russia

OW2503055693 Tokyo NHK General Television Network in Japanese 0300 GMT 25 Mar 93

[From the "NHK News" Program]

[Text] Speaking at a session of the lower house Committee on the Cabinet held this morning, the foreign minister referred to the issue of aid to Russia and said: We have the northern territorial issue. But setting this issue aside, we want to provide aid commensurate with our strength from a standpoint of a member of the international community. In this way, he indicated an intention to study the issue of aid to Russia by separating this issue from the northern territorial problem this time.

Foreign Minister Watanabe made the remarks in response to a question raised by Shun Oide, member of the Social Democratic Party of Japan [SDPJ]. With regard to the current situation in Russia, he said: It has been observed that a breakthrough in the deadlocked talks is beginning to emerge at the last minute as the president's side also has moved toward making a compromise. The Foreign Ministry for its part is keeping a close watch on the developments of the situation. He went on to say: There is no doubt that among the seven major industrialized nations, there is an atmosphere of moving toward supporting President Yeltsin's reform line. I think that Japan for its part, although there is the northern territorial issue, should do something commensurate with its strength from a standpoint as a member of the international community. Thus, he indicated an intention to study Japan's aid to Russia by separating aid from the northern territorial issue this time.

Russian Governors Cancel Visit Because of Crisis

OW2503093193 Tokyo KYODO in English 0925 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—Russia's Governors' Association has called off a trip to Japan for talks on exchanges and trade issues, the National Governors' Association said Thursday. The canceling of the visit, which was to have started Monday, is believed to be in response to the intensifying power struggle in Russia that may lead to the downfall of President Boris Yeltsin, the association said.

Bilateral governors' conferences had been held before the collapse of the Soviet Union, usually every other year. Although no conference was slated for this year, a special meeting was scheduled on a request by the governors of Moscow and Irkutsk and the Russian International Sister City Association.

On the agenda were promotion of bilateral exchanges, Japanese investment and joint ventures in Russia and other economic matters, the association said.

For Japan, Tokyo Gov. Shunichi Suzuki, and the vice governors of Niigata, Ishikawa, and Saga Provinces were scheduled to attend the conference.

U.S. Defense Information Center Head Meets Ota

OW2503000193 Naha NHK Radio in Japanese 0315 GMT 24 Mar 93

[From the "NHK News" program]

[Text] In a meeting with Okinawa Governor Ota today, Jean La Rocque, director of the U.S. Center for Defense Information [CDI], indicated his view that U.S. military bases in the Asia-Pacific region centered on Okinawa will stay to play a role in creating cooperation among the Asian nations in the course of the United States' base reduction.

Mr. Jean La Rocque is known for his testimony that U.S. military warships carry nuclear weapons when they visit Japan. He is now engaged in analyzing world military affairs as director of the U.S. CDI under the Defense Department [as heard]. He called on Governor Ota at the Prefectural Office this morning and exchanged views on issues relating to the U.S. bases on Okinawa. In the meeting, Director La Rocque said: Although there are over 300 military bases overseas, the United States is increasingly suffering from financial difficulties due to the accumulating maintenance cost. The gradual reduction of the U.S. military bases in the Asian-Pacific region, including Okinawa, by consolidating and relocating those bases is under study.

With regard to the functions of the U.S. bases on Okinawa, Director La Rocque said that the U.S. military bases on Okinawa are changing their role of controlling international conflicts and taking on the unique character of creating cooperation systems among the Asian nations. In response to Governor Ota's request for the immediate return of facilities agreed to by Japan and the United States, Director La Rocque said that he wants to make inspections during his stay in Okinawa to find out how the U.S. military bases are having an impact on the developments in Okinawa. He added that upon returning home, he wants to promote the American people's understanding through television broadcasts.

Peacekeeping Operations in Mozambique Approved

OW2503151293 Tokyo KYODO in English 1453 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—The government plans to join UN peacekeeping operations in Mozambique, government sources said Thursday.

A government mission that recently visited the war-torn southern African country has submitted its report saying all five conditions for Japan's participation in UN peacekeeping efforts abroad have been met. Conditions include a cease-fire and assurances that Japanese personnel will not be drawn into combat.

It said there are high expectations in Mozambique that Japan will make an "active contribution" and said it is important for the international community to help the

country achieve peace. The eight-member mission, led by the Foreign Ministry's UN Bureau official Masaki Konishi, went to Mozambique on March 4 to study the feasibility of sending Self-Defense Forces (SDF) personnel to the country.

An election is to be held in Mozambique now that a peace accord between the government and rebels last October has ended a 16-year civil war in which at least 600,000 people died.

Japan sent a 600-member engineering team from the SDF to Cambodia last September, the first overseas deployment of Japanese ground troops since the end of World War II.

SRV's Vo Van Kiet Continues Visit Activities**Discusses Ties, Economic Reforms**

OW2503031093 Tokyo KYODO in English 0233 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—Prime Minister Kiichi Miyazawa and visiting Vietnamese Prime Minister Vo Van Kiet held talks Thursday morning focusing on Vietnam's market-oriented economic reforms, Japanese Government officials said. Miyazawa is expected to express Japan's support for Hanoi's reforms and offer positive Japanese cooperation, they said.

The Miyazawa-Kiet meeting is the first between top leaders of the two countries since Vietnam was reunified in 1976.

In a scheduled hour-long meeting with Kiet at the prime minister's official residence, Miyazawa is expected to call on Kiet to forge new Japan-Vietnam relations by promoting bilateral cooperation in the fields of politics, economy, trade and investment, and intellectual exchanges, according to the officials.

Miyazawa is expected to express Tokyo's intention of resuming fresh grants for Vietnam and cooperating with Hanoi in its efforts to revamp the country's legal system as part of Japan's backing for Vietnam's reform policies known as "Doi Moi." He will urge Vietnam to cooperate further in the search for American soldiers missing during the Vietnam war as a way of speeding the normalization of diplomatic relations between the United States and Vietnam, the officials said.

The Japanese prime minister is also expected to ask Vietnam to do more to help bring the stalled peace process in Cambodia back on track, they said.

Kiet arrived in Tokyo on Wednesday. He is the first Vietnamese premier to visit Japan since Tokyo and Hanoi established diplomatic relations in 1973.

Intends 'Normalizing Ties' With U.S.

OW2503061793 Tokyo KYODO in English 0552 GMT
25 Mar 93

[Text] Tokyo, March 25 KYODO—Prime Minister Kiichi Miyazawa told Vietnamese Prime Minister Vo Van Kiet on Thursday that Japan intends to resume extending project loans to Vietnam after a 14-year hiatus, Foreign Ministry officials said. Officials said Miyazawa conveyed Japan's intention to Kiet in an hourlong meeting and announced the dispatch of a government survey team to Vietnam in May for discussions on how Tokyo can assist in building the country's infrastructure.

Kiet arrived in Japan on Wednesday for a five-day stay and is the first Vietnamese premier to visit this country since Tokyo and Hanoi set up diplomatic ties in 1973.

Miyazawa was sympathetic to Hanoi's needs, saying that the rebuilding of infrastructure is a "great task" for Vietnam, the officials said. He told Kiet that while Japan intends to cooperate with Vietnam to that end, the country also will need assistance from multilateral institutions.

The Japanese leader said the survey mission will consult with Vietnamese officials on their requirements for economic assistance in the current year.

Last November, Japan resumed official commodity loans to Hanoi, giving it 45.5 billion yen. But Japan held back on loans for infrastructure projects, partly out of respect for U.S. moves to pressure Hanoi to make greater efforts to account for American servicemen missing in action during the Vietnam war.

Japan suspended economic aid to Vietnam in 1979 after its December 1978 invasion of Cambodia to oust the Khmer Rouge government from Phnom Penh.

Officials said Japan would later extend project loans to Vietnam to help rehabilitate roads, railways, harbors, communications and power generation facilities.

Miyazawa told Kiet that Japan will exert its influence so that Vietnam can get assistance from the World Bank and the Asian Development Bank (ADB), the officials said. He noted that a normalization of relations between Vietnam and the United States is an important factor in freeing such assistance. U.S. opposition to the rendering of assistance to Vietnam by the International Monetary Fund (IMF) has had the effect of blocking aid from the World Bank and ADB.

Kiet, who was appointed to the premiership last September, responded that Vietnam is intent on normalizing ties with the United States, and correspondingly the IMF, the officials said. He said his government is doing its utmost to work with the U.S. in settling the "humanitarian" issue of missing American servicemen.

Miyazawa said that Vietnam's efforts are apparently paying off, citing conciliatory remarks by U.S. Secretary

of State Warren Christopher on Monday in Chicago, the officials said. Christopher noted that other countries are getting ahead of the U.S. in their commercial endeavors in Vietnam and said Washington would assess progress on the issue of missing servicemen in hopes of moving closer to normalization.

'Wants' Friendship With U.S.

OW2503131093 Tokyo KYODO in English 1258 GMT
25 Mar 93

[Text] Tokyo, March 25 KYODO—Vietnamese Prime Minister Vo Van Kiet said here Thursday that Vietnam wants to overcome mutual enmity with the United States and become "close friends." Japanese Foreign Ministry officials said. "Vietnam wants to associate with the U.S. as close friends," Kiet told Foreign Minister Michio Watanabe in an hourlong meeting, the officials said.

"The U.S. continues to inflict losses on Vietnam, but we are nevertheless willing to close the pages of the past and normalize the relationship," Kiet said. The officials said the Vietnamese leader, who arrived in Japan on Thursday for a five-day official visit, was apparently alluding to losses suffered from the decades-old U.S. trade embargo.

Kiet's conciliatory remarks were in line with those recently made by top Vietnamese leader Do Muoi, general secretary of the ruling Communist Party, who has urged U.S. President Bill Clinton to lay to rest America's bitterness over the Vietnam war by normalizing ties and lifting the trade embargo.

Officials said Watanabe made no direct reference to the embargo, but pledged to Kiet that Japan would work to overcome U.S. resistance to loans being extended to Vietnam by such multilateral finance institutions as the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank (ADB).

Clinton has recently been urged by key members of Congress to end opposition to multilateral loans for Vietnam and to lift the embargo.

Pledges No Invasion of Cambodia

OW2503144693 Tokyo KYODO in English 1430 GMT
25 Mar 93

[Text] Tokyo, March 25 KYODO—Vietnamese Prime Minister Vo Van Kiet on Thursday condemned the slayings of ethnic Vietnamese in Cambodia, but vowed Vietnam would not again invade the country, Japanese Foreign Ministry officials said. Officials said Kiet, who arrived in Japan on Thursday for a five-day official visit, made the remarks in a two-hour meeting over dinner with Prime Minister Kiichi Miyazawa and Foreign Minister Michio Watanabe.

Kiet was quoted as saying Vietnam is "very worried" about the current instability in Cambodia and the

"extremely regrettable" killings there in recent weeks of many ethnic Vietnamese, allegedly by the Khmer Rouge guerrilla group.

Earlier Thursday, United Nations peacekeepers in Phnom Penh reported that gunmen on Wednesday killed eight ethnic Vietnamese, three of them children, in an attack on a hamlet in Kompong Chhnang Province, about 120 kilometers northwest of Phnom Penh at the southeastern end of the Tonle Sap (Great Lake). The killings, which survivors were said to have blamed on the vehemently anti-Vietnamese Khmer Rouge, were the sixth of their kind in the past year and followed a massacre of ethnic Vietnamese in the northwestern province of Siem Reap on March 10, in which at least 38 people died.

In response to parliamentary Vice Foreign Minister Koji Kakizawa's urging that Vietnam continue to cooperate with the UN effort in Cambodia, Kiet pledged Vietnam would continue to respect the Paris peace accords of 1991 in spite of the killings. "Vietnam does not intend to again dispatch its Army to Cambodia," he was quoted as saying.

Officials said he stressed that Vietnam's invasion of Cambodia in December 1978 was aimed at saving the country from the genocidal policies of the Khmer Rouge government, which it ousted from power.

Kakizawa reminded Kiet that Japan has joined other countries in "clearly condemning the genocide carried out against ethnic Vietnamese in Cambodia," which independent estimates say number between 200,000 and 500,000.

Kiet said Vietnamese have lived in Cambodia since ancient times and that there were more there in the 1960s when Prince Norodom Sihanouk was president than there are today. UN officials in Cambodia have said the spate of attacks and incidents of harassment has spurred a migration of ethnic Vietnamese fleeing the country for Vietnam.

A Vietnamese Foreign Ministry spokesman was quoted by Vietnamese newspapers on Thursday as urging UN authorities and the Phnom Penh government to take effective measures to protect Vietnamese in Cambodia.

The Khmer Rouge says the UN is biased toward the Vietnamese-installed Phnom Penh government and has failed to expel what it says are millions of Vietnamese settlers sent by Hanoi to colonize Cambodia.

Tokyo To Expand Cultural Exchanges With SRV

OW2503125593 Tokyo KYODO in English 1244 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—Japan will expand cultural exchanges with Vietnam from fiscal 1994, including assistance in learning the Japanese language, the Foreign Ministry said Thursday.

Japan will meet Vietnam's request to tackle the shortage of Japanese-speaking staff by inviting government officials to learn the language through the Japan foundation, which uses semigovernmental funds to promote international exchanges, the ministry said. The cultural exchanges will also include the supply of television programs for Japanese language education and the establishment of a modern Japanese study center, it said.

The ministry also plans to send experts in civil, commercial and company law to Vietnam to help build a legal system necessary for the introduction of a market-oriented economy.

Vietnamese Prime Minister Vo Van Kiet arrived here Wednesday for a five-day official stay as the first Vietnamese premier to visit since Tokyo and Hanoi established diplomatic ties in 1973.

Support Center Opened for Foreign Exporters

OW2503041093 Tokyo KYODO in English 0303 GMT 25 Mar 93

[Excerpt] Tokyo, March 25 KYODO—The Japan External Trade Organization (JETRO) opened its business support center (BSC) in downtown Tokyo on Thursday to help foreign businesses sell products in Japan, the semiofficial trade promotion agency said. The move is the latest in a series of undertakings by JETRO to promote imports into Japan.

The center, which has about 1,400 square meters of floor space on the second story of the A-T [Akasaka Twin Tower] building at Akasaka in Minato ward, will provide a wide range of services to foreign businesses. For instance, foreign business representatives in need of temporary offices will be offered space and office equipment without charge.

At the center, full-time advisers will assist foreign business representatives, providing knowhow on marketing and advice on various problems, and arranging business appointments when using center facilities.

Reference material and business-related publications are available at the center's library. The center will also provide access to trade-related databases and offer rooms to foreign business officials for holding meetings. [passage omitted]

Ministry Denies Indochina Fund Establishment

OW2503123593 Tokyo KYODO in English 1106 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—Japan is not considering establishment any time soon of a regional fund to promote development in Indochina through investment, despite reports to the contrary, a Foreign Ministry official said Thursday. The official was commenting on foreign media reports earlier in the day that former Thai Prime Minister Chatchai Chunhawan said Wednesday

in Bangkok he has been told the Japanese Government plans to announce establishment of the fund soon.

Chatchai reportedly said he was informed of the Japanese Government's intention when he met in Tokyo last September with Prime Minister Kiichi Miyazawa and former prime ministers.

"We have no plan to announce establishment of such a fund in the near future," said the official, who spoke on condition of anonymity. "Maybe that kind of idea could be useful but given the fact that the Asian Development Bank (ABD) and other financial institutions have not yet been utilized for development of Indochina as a whole, perhaps it is a bit too early for us to contemplate," the official said.

The official denied reports that Miyazawa has rejected the idea, which has been championed by Chatchai, when he met the former Thai prime minister, now an opposition leader. "We are open to any proposals or suggestions, especially from the Thai side," the official said. He noted, however, that Chatchai's proposal has not been put forward by the Thai Government.

Tokyo: Rice Stocks May Fall Below Optimum

*OW2503092293 Tokyo KYODO in English 0918 GMT
25 Mar 93*

[Text] Tokyo, March 25 KYODO—Government rice reserves will fall below the optimum level of one million tons for the second consecutive year by next October, the Food Agency forecast Thursday.

The agency estimated in a report that stock at the end of the 1993 rice year (November 1992 to October 1993) will total 350,000 to 450,000 tons. The report was presented by the agency to a meeting of the Rice Price Council, a government advisory panel.

At the end of last October, rice stocks plunged to 260,000 tons due to typhoon damage in 1992.

The demand-supply outlook for the 1993 rice year, contained in the rice management report, estimated a rice supply of 10.45 million tons. It said total rice demand, including rice sold to the government and farmers' consumption, was estimated at 10 million to 10.1 million tons, leaving 350,000 to 450,000 tons in government reserves.

Prosecutors Plan To File More Kanemaru Charges

*OW2503115693 Tokyo KYODO in English 1014 GMT
25 Mar 93*

[Text] Tokyo, March 25 KYODO—Prosecution charges against disgraced former ruling party politician Shin Kanemaru will cover a total of 1.85 billion yen in income allegedly hidden from tax authorities from 1987 to 1989, investigative sources said Thursday. The 1.85 billion yen includes 200 million yen in income he allegedly failed to

declare in 1987, for which a tax evasion charge was filed on March 13, the sources said.

The prosecution had to file the initial indictment earlier to beat a March 15 deadline on a five-year statute of limitations, the sources said.

Prosecutors plan to file additional charges on the remaining 1.65 billion yen in income which the former Liberal Democratic Party vice president allegedly failed to declare in 1989, they said. The plan to file additional charges will be discussed at a meeting on Friday of the country's top prosecutors, they said.

Kanemaru's 22-day detention period will expire on March 27, when prosecutors will have to suspend their questioning of him at the Tokyo Detention House.

The 1.65 billion yen in allegedly concealed income consists of two major portions—650 million yen in 1989 and 1 billion yen in 1988, they said.

Kanemaru was arrested on March 6 on suspicion of evading taxes on income in 1987 and 1989.

The additional 1 billion yen worth of hidden 1988 income came to the prosecutors' notice while they were questioning Kanemaru, they said.

Prosecutors also uncovered a further 1 billion yen in hidden income for 1986 during questioning, but will not file a separate indictment for that sum due to the expiry of the statute of limitations, they said.

Kanemaru purchased "wariko" discount bank debentures in conjunction with his now-deceased wife Etsuko by using the 2 billion yen worth of income allegedly concealed in 1986 and 1988, they said. In total, Kanemaru is suspected of having evaded approximately 900 million yen in tax on the 1.85 billion yen income he neglected to declare from 1987 to 1989, the sources said.

The great bulk of this income was in the form of secret donations from major construction firms in Tokyo or Osaka and also from smaller contractors in Kanemaru's constituency in Yamanashi Prefecture, they said. Kanemaru reportedly amassed his treasure hoard—discount bank debentures, gold bars and piles of securities—by siphoning off such confidential donations from contractors seeking his influence in appropriations of public works projects.

Prosecutors seized 2.8 billion yen worth of discount bank debentures issued by Japan's long-term credit banks in the March 6 raid. But they are likely to give up a plan to file additional tax evasion charges regarding 65 kilograms of gold bars seized from Kanemaru's office, as it was his wife who had been in actual possession of them, they said.

Charges will also be filed against Kanemaru's former chief financial aide, Masahisa Haibara, for allegedly concealing income he amassed in the course of his activities as Kanemaru's right-hand man, they said.

Haibara is suspected of having concealed 400 million yen worth of income in a five-year period from 1987, they said.

Meanwhile, Construction Vice Minister Hiroshi Mitsuya told a news conference he has received instructions from Construction Minister Kishiro Nakamura to "quickly" bolster the transparency of the bidding system for public works projects and encourage competition for contracts.

"The ministry will implement public works projects in a manner that will not create public distrust," he said. He denied press reports that Kanemaru used his political clout over ministry bureaucrats to direct public works projects to contractors who had given him money.

Miyazawa Discusses Government Bids Procedure

OW2403233293 Tokyo NHK General Television Network in Japanese 1000 GMT 24 Mar 93

[From "NHK News" program]

[Text] Prime Minister Kiichi Miyazawa has said that he would try his best to ensure openness in assignment procedures for public work projects, having an eye on constructors' illegal donations to politicians. He was speaking in today's session of the upper house budget committee.

Soko Shimabukuro, a member of the Niin Club, asked how the government is going to cope with political corruption. He said that the public is disgusted with money-oriented politics since Shin Kanemaru's tax evasion case.

[Begin Miyazawa recording] Public confidence of politics has been extremely weakened. As a leader of political circles, I feel very sorry for the present situation. Political reform is an urgent question for Japan's politics, and it is the only way for the government to win back public confidence. The government would like to do all it can to ensure that fundamental reform will be realized during the current Diet session. [end recording]

Following this, Japan New Party member Kunitaro Takada questioned the prime minister on the government's plan to ensure open bidding for public work projects in connection with major construction companies' illegal donations to Kanemaru.

[Begin Miyazawa recording] The Construction Ministry's advisory panel has recommended the disclosure of the government's bidding procedures for public works projects. My personal understanding is that the responsible government ministries and agencies are supposed to fully exercise their supervisory authorities to achieve this objective. [end recording]

The upper house budget committee has concluded general question-and-answer sessions today, and public hearings are scheduled for tomorrow.

Small Business Urges 'Drastic' Pump Priming

OW2503044893 Tokyo KYODO in English 0213 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—Organizations representing small businesses in Japan called Thursday for drastic pump-priming measures at once to halt the economic slump, trade ministry officials said. Executives of the Central Federation of Societies of Commerce and Industry and three other groups made the request in a meeting with Yoshiro Mori, head of the Ministry of International Trade and Industry (MITI), the officials said.

Mori told them the government is now trying to work out a massive economic stimulus package before Prime Minister Kiichi Miyazawa meets U.S. President Bill Clinton on April 16.

Stressing the importance of boosting the confidence of management of small- and medium-sized companies, Mori said the government is considering fund-raising schemes to meet those companies' increasing need for operating funds, as well as several measures to promote their capital spending, the officials said. Among such measures, Mori suggested expanding the scope of financing by government-affiliated financial institutions and instructing commercial banks to be less grudging of lending money to smaller firms, they said.

Panel Rejects Ministry's Milk Price Cut Plan

OW2503043793 Tokyo KYODO in English 0305 GMT 25 Mar 93

[Text] Tokyo, March 25 KYODO—Farm Ministry plans to cut the state-guaranteed price of milk paid to dairy farmers in fiscal 1993 received a sudden setback Thursday when a ruling party panel rejected the proposal. The livestock price subcommittee of the Liberal Democratic Party (LDP) opposed the Agriculture, Forestry and Fisheries Ministry's proposal to lower the milk price, ministry officials said.

The ministry earlier in the day submitted its proposal to the panel to reduce the price of milk sold for making butter and skim milk by 1.3 percent from fiscal 1992. Under the proposal the price—a combination of the price dairy product makers pay to dairy farmers and government subsidies—would be reduced to 75.75 yen per kilogram, down 1 yen from the current fiscal year.

The LDP subcommittee meeting will be resumed later in the day.

The price cut, if implemented, will be the first in two years. Besides a cut in the milk price, the ministry also proposes to reduce the amount of milk guaranteed for government subsidy by 50,000 tons to 2.35 million tons.

North Korea

Further Nuclear Treaty Withdrawal Reportage

Reunification Group on 'War-Inciting'

SK2503050393 *Pyongyang KCNA in English*
0435 GMT 25 Mar 93

["United States Must Declare Final End to 'Team Spirit'"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—"If the United States really wants stability and peace on the Korean peninsula, it must not try to take issue with us groundlessly but declare instead that it would cease the 'Team Spirit' joint military exercises against us for good and totally pull its troops and nuclear weapons out of South Korea," said the Secretariat of the Committee for the Peaceful Reunification of the Fatherland in its information No. 624 dated March 24.

The information charges that some warlike elements of the United States are these days running about feverishly to unleash another war on the Korean peninsula at any cost on the pretext of the DPRK Government's withdrawal from the Nuclear Nonproliferation Treaty (NPT).

It says:

"On 22 March, the U.S. Army Chief of Staff told an official of the Japan Defence Agency that 'the U.S. Forces present in South Korea should be kept there till the stabilisation of the Korean peninsula.'

"Earlier, U.S. congressman, John Murtha, in a press interview let out the war-inciting remark that 'limited strike' should be made at major targets of North Korea if it fails to reconsider its decision to withdraw from the NPT.

"This reveals the real intention of the United States to keep its forces in South Korea on the pretext of the government of our republic's withdrawal from the NPT and light the train of another war to invade our country at any cost.

"Some warlike quarters of the United States, affected by war fever at the moment, completely threw off the hypocritical cloak of 'peace' and are unhesitatingly claiming 'limited strike' and 'unilateral military action' in a desperate bid to stifle us. But it is a foolish daydream.

"We want peace but would never beg for peace at the expense of our dignity.

"The United States must look squarely at the steadfast will of our people and act with discretion."

U.S. Army Chief Remarks 'Brigandish'

SK2503051193 *Pyongyang KCNA in English*
0444 GMT 25 Mar 93

["Brigandish Act"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—The U.S. Army Chief of Staff recently said the U.S. troops present in South Korea would not be reduced while talking about the situation on the Korean peninsula. MINJU CHOSON today brands his overt outcry as proof that the U.S. imperialists' moves to stifle the DPRK have been intensified.

The news analyst says:

Some reactionary quarters of the United States are raising terrific outcries, as if the DPRK's withdrawal from the Nonproliferation Treaty were wrecking stability on the Korean peninsula. This is a brigandish argument based on the mode of thinking of an aggressor.

The U.S. imperialists are bringing the situation on the Korean peninsula to the brink of war while keeping under their military occupation the land of other country thousands of miles away from the continental U.S. now they are insisting on continued arms buildup in South Korea, trying to shift the blame for the aggravation of tensions on to the DPRK. This is a brigandish act reminding us of a thief filing the suit first. This is an outcome of their aggressive policy toward Korea and part of their premeditated anti-DPRK campaign.

It is a daydream of the fools to try to contain the DPRK with strength, boasting of "military superiority."

We have ever-victorious revolutionary Armed Forces that fight to defend the party, the leader and the socialist motherland, defying death, and we are fully prepared politically and militarily to smash any aggressive act of the enemy at one stroke.

If the United States wants to save its face as a big power, it must rectify its wrong Korea policy and immediately withdraw its troops and nuclear and all other weapons of mass destruction from South Korea.

U.S. Congressman Warned on 'Rash Acts'

SK2503050993 *Pyongyang KCNA in English*
0439 GMT 25 Mar 93

["Outburst of Warhawk"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—NODONG SINMUN today warns that Congressman John Murtha and other reactionary forces of the U.S. must clearly know what the Korean people are like and refrain from rash acts.

The news analyst says:

John Murtha recently said that in case the DPRK did not "reconsider" its decision to withdraw from the Nonproliferation Treaty [NPT], the U.S. should make "limited strikes" at the DPRK and "make war preparations." This bellicose outcry is an open and arrogant threat to the DPRK and a very dangerous act inciting a war on the Korean peninsula.

It is foolish and ridiculous of Murtha obsessed with megalomania to act like a puppy knowing no fear of a

tiger. Our decision to withdraw from the NPT is only too natural in that it was made in order to prevent the national sovereignty and the supreme interests of the nation from being violated in face of the nuclear war moves of the United States and the unjust act of some officials of the secretariat of the International Atomic Energy Agency.

No one has any reason to put "pressure" or exercise "sanctions" against the DPRK and make a "military attack" on it over its self-defensive measure.

Murtha's outcry for "limited strikes" and "war preparations" against the DPRK only revealed his bellicose nature.

Any attempt to use arms against the DPRK is as foolish as jumping from the frying pan into the fire.

PRC Minister Comments on Issue

*SK2503120293 Pyongyang KCNA in English
1047 GMT 25 Mar 93*

[Text] Beijing, March 23 (KCNA)—China's position is that China does not hope to see any nuclear weapons on the Korean peninsula, Chinese Foreign Minister Qian Qichen told a press conference here Tuesday.

If the issue of "special inspection" of the DPRK is referred to the U.N. Security Council it will only complicate the matter, Qian Qichen said, adding that efforts should be made within the scope of the International Atomic Energy Agency.

"We are opposed to the application of sanctions on the DPRK," the foreign minister said. "There are no provisions which say that those countries who withdraw from the Nuclear Nonproliferation Treaty [NPT] and those who stay away from the NPT should be subjected to punishment, and there is no international precedent," he added.

Referring to the question of pullout of the U.S. Forces from South Korea and Japan, Qian said:

In principle, China does not approve of the stationing of troops on foreign soil by big countries. So the issues can be solved as they are wanted to be solved in accordance with the development of the universal situation, we believe.

The question of the withdrawal of U.S. troops from the Korean peninsula should be considered by themselves.

French Minister on 'Military Sanctions'

*SK2503044393 Pyongyang KCNA in English
0429 GMT 25 Mar 93*

["North Korea Totally Differs From Iraq"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—The French defence minister criticised the U.S. imperialists and their followers for noisily calling for "military sanctions" against the Democratic People's Republic of Korea after

its withdrawal from the Nuclear Nonproliferation Treaty, according to Radio France Internationale on March 23.

The defence minister was quoted as saying:

"North Korea totally differs from Iraq. It is guided by experienced President Kim Il-song and has an army and people well disciplined for more than 40 years militarily and strategically. And it is of no great use to strike at 'the suspicious sites of nuclear development,' as it is a mountainous country.

"A military attack on North Korea might rather induce its retaliatory strikes at South Korea, turning the whole of it into a sea in flames. It would cause uneasiness to the United States and the international community and throw Japan and South Korea into an uproar."

Italian Committee Criticizes IAEA

*SK2503045793 Pyongyang KCNA in English
0423 GMT 25 Mar 93*

[Text] Pyongyang, March 25 (KCNA)—The Italian Committee for Reunification and Peace of Korea printed a special issue of bulletin "Korea Is One".

The special issue edited an editorial under the title "Let Us Remove Danger of War From Korean Peninsula", an appeal of the Italian Committee for Reunification and Peace of Korea dated March 10, a statement of the government of the Democratic People's Republic of Korea declaring its withdrawal from the Nuclear Nonproliferation Treaty (NPT) and an article headlined "Mr. Director-General of the IAEA [International Atomic Energy Agency], why are you so impatient."

Charging that the United States and the South Korean authorities are leading the situation of the Korean peninsula to the brink of war by resuming the "Team Spirit" joint military manoeuvres, the bulletin in an editorial calls for joining in the solidarity movement to remove the danger of a new war from the Korean peninsula.

In an article criticising the IAEA, the bulletin exposes the unjust steps taken by the agency under the manipulation of the United States and that the IAEA has been reduced to a venal organisation of the United States.

Japan 'Anti-DPRK Campaign' Criticized

*SK2503115293 Pyongyang KCNA in English
1059 GMT 25 Mar 93*

["Japan Must Stop Anti-DPRK Campaign"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—With no amount of attempts can the Japanese ruling quarters impair the prestige of the Democratic People's Republic of Korea or infringe upon the dignity of our nation and the supreme interests of our country, declares NODONG SINMUN

today. Recalling that some official figures and publications of Japan spoke ill of the DPRK, saying its withdrawal from the Nuclear Nonproliferation Treaty (NPT) was an "undesirable thing" and it might "result in its international isolation," the author of the article says, and continues:

This indicates that the Japanese ruling quarters are still hell bent on the anti-DPRK campaign, acting a "shock brigade" of the international reactionaries, and attempting to attain their sinister purpose by decrying the DPRK. Last year they had confabs with the then U.S. President Bush, the British prime minister and the South Korean chief executive to "internationalize" the DPRK's "nuclear problem" and they shouted themselves hoarse about the "nuclear suspicion against the DPRK" at several international conferences. By so doing, they attempted to cheat the international community into belief that the "nuclear problem" was really existing in the DPRK and, under this pretext, increase pressure on the DPRK.

They also attempted to put unjustifiable pressure on the DPRK, linking the "nuclear problem" with negotiations for the normalization of DPRK-Japan diplomatic relations. When the DPRK declared its decision to withdraw from the NPT, the Japanese ruling quarters, as if they had been waiting for a chance, cried that the "Japan-DPRK negotiations has hit a snag" and "there is no prospect of the resumption of the negotiations now." This clearly shows that they do not want the normalization of diplomatic relations between the two countries.

They are working round the clock to impair the prestige of the DPRK, isolate it internationally and stifle its socialist system by making the international community admit the "nuclear problem" of the DPRK, a fiction. They must clearly see the situation and stop the anti-DPRK campaign. That is good for Japan, too.

South Denounced for Making 'Cripple' of Yi In-mo

*SK2503115493 Pyongyang KCNA in English
1038 GMT 25 Mar 93*

["They Cannot Evade Responsibility for Having Made a Cripple of Yi In-mo"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—The people in the northern half of Korea are now shuddering with indignation at the enemy who made a cripple of Yi In-mo, the incarnation of faith and will. Yi In-mo was an unconverted long-term prisoner in South Korea. While active on the front as a war correspondent of the Korean People's Army during the Korean war provoked by the U.S. imperialists (June 25 1950 to July 27 1953), he was taken prisoner by the enemy with a heavy bullet wound, and kept in prison for 34 years.

He should have been repatriated to the northern half of the country in due course at the time of the exchange of POW right after the ceasefire, but the successive South

Korean rulers detained him for more than 40 years, subjecting him to tortures defying human imagination. Although he identified himself as a war correspondent of the Korean People's Army on many occasions, the successive dictators of South Korea brutally persecuted him and tried to force an ideological conversion on him, transferring him from Kwangju to Taejon, Taegu and Pusan prisons.

The physical and mental harassments he suffered in prison from 1952 till his release defy description. On a cold wintry day of December 1975, fascist thugs at the Kwangju prison stripped Yi naked and hung him from a ceiling, heels up, with his hands and feet bound tightly, and flogged him with a club, pouring cold water all over him. They also laid him on his back on a settee, with all limbs bound to it, and poured water into his nose and mouth from a 10 litre teapot.

Hating Yi as "a thoroughpaced Red" who refused to recant his belief, they put him in a solitary cell of 0.8 or 0.75 pyong (one pyong equals six feet square) or in a punishment room called "pitchblack room" into which not a single sunbeam was allowed, thus making him suffer from hunger, violence and loneliness. They went so far as to hold him in a cell where lepers had once been put in confinement, offering a quilt smeared with blood and pus, to destroy him physically and cow him into a moral submission. A pack of thugs fell upon and beat him, charging him with calling for "refusal of ideological conversion," and subsequently, he was made a cripple, with one of his right-side ribs and one leg bone broken. They thus made desperate efforts to make him an ideological convert, making a cripple of him, but could not make him ditch his belief.

The enemy resorted to vicious persecution against Yi even after he was released from prison on October 27, 1988. The rulers of the "Sixth Republic" also labelled him as an "unconverted long-term prisoner" and placed him under constant watch and control. They dragged him along to an isolated islet in the South Sea and put him to all sufferings, a septuagenarian cripple suffering from a cerebral haemorrhage. Worse still, they made no scruple of using the question of his repatriation as a political bargaining chip. The successive South Korean rulers cannot evade the responsibility for having made Yi In-mo a cripple.

NODONG SINMUN Urges South Not To Rely on U.S., Japan

*SK2503051993 Pyongyang KCNA in English
0449 GMT 25 Mar 93*

["Despicable Toady to U.S. and Japan"—KCNA headline]

[Text] Pyongyang, March 25 (KCNA)—The harder the South Korean authorities try to get patronage and "cooperation" from neighbouring powers, the clearer their true color as faithful servants of the imperialists and the traitors to the nation becomes, warns NODONG SINMUN today.

The South Korean authorities said they were "planning to have discussions with the United States and Japan on countermeasures" against the withdrawal of the North from the Nuclear Nonproliferation Treaty and would request the U.S. Government to leave U.S. Forces in South Korea after the "Team Spirit" joint military exercises to cope with a possible "state of emergency," the news analyst says, and goes on:

It apparently means that they would keep the U.S. imperialist aggressor forces in South Korea and continue confrontation with the North with their backing and in league with the Japanese aggressor forces.

Such attitude of the South Korean authorities licking the boots of the U.S. and Japan shows once again the miserable lot of the servants who regard dependence on and toady to outside forces as the only mode of existence and cannot live even a moment without the backing of their masters, the U.S. and Japan.

The South Korean authorities must promptly discard their attitude of dependence on outside forces and anti-reunification confrontation, take an independent stand of solving the questions of peace and reunification by the efforts of the nation itself and give up their foolish thinking-pattern of getting something by relying on such big powers as the U.S. and Japan.

23 Mar U.S., South Military Activity Reported

*SK2503053593 Pyongyang KCNA in English
0426 GMT 25 Mar 93*

[Text] Pyongyang, March 25 (KCNA)—The U.S. imperialist aggressors on March 23 staged a provocative air war exercise against the northern half of Korea in the skies above Yaju, Umsong and Kunwi, South Korea, with more than 300 warplanes of various types, according to military sources.

The South Korean puppets, too, held a war gamble that day. Groups of tanks moved to Kumpha-ri, Paju County, Kyonggi Province, and Raengchon-ri, Kosong County, South Korean Kangwon Province, fired an estimated 100 shells. Armed bandits of the puppet army deployed in Paeknyon-ri and Jajang-ri, Paju County, Kyonggi Province, staged a nighttime ground attack exercise aimed at making a breakthrough in the Military Demarcation Line.

In separate action, mechanized infantry units of the puppet army moved to Phochon and Chunchon and staged a ground attack exercise against the North with the support of some 40 warplanes.

Asian-African Group Supports DPRK Withdrawal

*SK2503045993 Pyongyang KCNA in English
0419 GMT 25 Mar 93*

[Text] Pyongyang, March 25 (KCNA)—The Korean Committee for Asian-African Solidarity expressed the hope that governments, political parties and public

organisations of all countries in Asia, Africa and the rest of the world that love independence and peace and international organisations and individual persons will as ever render firm solidarity to the just stand of the government of the Democratic People's Republic of Korea and raise louder voices denouncing the unjustifiable moves of the United States and its followers.

The committee in a statement supporting the statement of the DPRK Government which declared its withdrawal from the Nuclear Nonproliferation Treaty, said that the "special inspection" demanded by the U.S. imperialists and some officials of the International Atomic Energy Agency is a criminal move to disturb world peace and plunge the whole mankind into a nuclear holocaust.

The statement said:

"If the United States and its followers think they can frighten or bring the Korean people to their knees with 'collective sanction', it is a miscalculation.

"The United States should renounce the way of thinking of the old era to bring small countries to their knees with the 'policy of strength', stop the moves to put 'pressure' and 'sanctions' on us, declare a perpetual stop to the 'Team Spirit' joint military exercises and withdraw its troops and nuclear weapons from South Korea without delay.

"Some quarters of the International Atomic Energy Agency should return to its original stance, give up the move to force 'special inspection' on us and admit and apologize for its crime against the Korean people.

"No one can bring us to our knees as long as there are the wise guidance of the great leader and the great party and the invincible might of our people united around the party and the leader in one mind."

DPRK Tries Modernize Traditional Medicine

*SK2403224293 Pyongyang KCNA in English
1504 GMT 24 Mar 93*

[Text] Pyongyang, March 24 (KCNA)—Korea is directing big efforts to placing koryo medicine, the nation's traditional medicine, on a scientific and modern basis, registering great successes.

In recent years the February 17 shock brigade of scientists and technicians dispatched to the Korean academy of koryo medical sciences has contrived new medical appliances after expounding basic theoretical problems for scientising treatment by Koryo medicine according to the physical constitution of people.

After clarifying the scientific grounds of the methods of diagnosis of constitution created by the ancestors, they found new diagnostic indices whereby to classify the human constitution objectively and a computerizing method which makes it possible to apply them to clinical practice.

They also devised scores of kinds of checkup and treatment appliances of Koryo medicine including an electric sphygmograph of koryo medicine which automatically analyses and judges man's pulses by computer.

The midget computer for diagnosis and treatment of ear acupuncture regions and the impulse-control medical equipment have already paid off in clinical practice.

The scientists and technicians have also developed a system of automatically analysing and disposing of information on living body by linking different equipment such as the electrocardiogram to computers.

The dear leader Comrade Kim Chong-il who always takes deep care of the promotion of the people's health, extended thanks to the shock brigade for its great contribution to the development of medical science and technique.

KCNA Reviews 25 Mar Pyongyang Press

*SK2503055293 Pyongyang KCNA in English
0503 GMT 25 Mar 93*

[Press review]

[Text] Pyongyang, March 25 (KCNA)—All papers here today give frontpage prominence to a communique of the Supreme Command of the Korean People's Army on the order to lift the semi-war state issued by the supreme commander of the Korean People's Army to the whole country, the entire people and the whole army. Figuring large in the press are reports on determinations evinced by working people to bring about a revolutionary turn in economic construction in the spirit which they displayed during the semi-war period, in response to the order of Comrade Kim Chong-il, respected supreme commander, to lift the semi-war state.

Immortal classical works of the great leader President Kim Il-song were reported in various countries, says NODONG SINMUN.

The paper reports that President Kim Il-song received messages from the Syrian, Guyanese and Sri Lankan presidents in reply to his messages of greetings on the occasions of the 30th anniversary of the March 8 revolution in Syria, the 23rd anniversary of the proclamation of the cooperative Republic of Guyana and the 45th anniversary of the independence of Sri Lanka.

An article of the paper deals with the spirit of the guerrilla zone, an indomitable revolutionary spirit, which was displayed in defence of the guerrilla zone during the anti-Japanese armed struggle under the wise command of Comrade Kim Il-song. The paper carries news that works of the dear leader Comrade Kim Chong-il were reported in different countries and he received letters and a message from Korean residents in Japan.

The paper informs the readers that foreign publications introduced the brief history of revolutionary activities of Comrade Kim Chong-il.

MINJU CHOSON runs an article titled "Bosom Which Glorified Life of Soldier" dealing with the deep trust and love shown by Comrade Kim Chong-il to Kim Chu-yong a former leading official in charge of the reception of overseas compatriots.

NODONG SINMUN editorially calls for turning out in the spring tree-planting.

NODONG SINMUN comes out with an article titled "Socialism Centred on the Popular Masses, Embodiment of the Chuche Idea" and MINJU CHOSON with an article headlined "It Is Noble Duty of Citizens To Defend Korean-style Socialism Achieved at the Cost of Blood".

Econews of the press includes reports about achievements in railway transportation and sowing.

Given in the press are an article on the indomitable will of Yi In-mo, the incarnation of faith and will and a proud son of the nation, and words of working people across the country manifesting their resolution to follow his example.

Carried in the press are a statement of the Korean Anti-nuke Peace Committee supporting the statement of the DPRK Government declaring its withdrawal from the Nuclear Nonproliferation Treaty and news that the chief of the Asia-Oceania office of the International Organisation of Journalists issued a statement to the press.

The Chinese foreign minister stressed the "Nuclear Nonproliferation Treaty" has no provision whether those who don't join or pull out from it must be punished" and the French defence minister said North Korea is quite different from Iraq, according to the press.

NODONG SINMUN in a commentary flails the dastardly stand of toady to the United States and Japan taken by the South Korean rulers who are rushing headlong toward confrontation with the fellow countrymen in league with the outside forces.

South Korean news of the press includes reports that more than 160 organisations including the national federation of peasants associations protested against the pressure to open rice market and the national council of student representatives decided to dissolve its organisation for further advance and inaugurate a new student organisation.

An article of NODONG SINMUN exposes the criminal nature of the "labour-management cooperation" preached by the South Korean authorities.

NODONG SINMUN runs a commentary denouncing the outburst of U.S. congressman John Murtha that the United States should make a "limited strike" at the DPRK and MINJU CHOSON a commentary hitting out at the rigma-role of the U.S. Army Chief of Staff calling for the permanent presence of the U.S. troops in South Korea.

The world public denounced the "Team Spirit" joint military exercises of the U.S. imperialists and the South Korean authorities, says NODONG SINMUN.

The daily runs an article titled "Japan Must Stop Anti-DPRK Campaign".

*** ROK Press: North Korea's Top Ten Leaders**

932C0071A Seoul CHUNGANG ILBO in Korean
4 Jan 93 p 11

[By reporters Kim Kuk-hu, Yu Yong-ku, and O Yong-hwan]

[Text] The highest positions in the Workers Party of Korea (WPK), the military, and the central government, which are known to be the power troika of North Korea, are all occupied by Kim Il-song and his son Kim Chong-il. In addition, there are forts of power surrounding them.

What would be the 10 most currently powerful positions in North Korea?

Based on the role, the current power ranking and the degree of trust from the two Kim's, North Korean specialists rank the following six positions as being the most powerful in the WPK: three secretaries and three department directors under the Central Committee. The three secretarial positions are those in charge of public security, heavy industries, and machines and metals. The three departments are the Cadre Affairs, Propaganda and Agitation, and the International. The six positions are considered to be the front-line and the shield for executing the tasks of the imminent power transfer and the task of the so-called "revolution and construction." Therefore, those who are in these six positions are the cream of the crop of power.

First of all, the Secretary in charge of public security, Kye Ung-tae (75), eighth in the Political Bureau rank, is the vanguard for maintaining the current system, holding the power of information and investigation.

Kye, who has been trained in the area of trade and diplomacy, is the head of public security, judiciary, and the administration of government. He is known to provide party guidances to the State Security Department under the Central People's Committee (CPC) and the Ministry of Public Security under the State Administration Council (SAC). He is also known to be involved in the personnel policies of the two organizations.

The two WPK secretarial positions, which are in charge of heavy industries and machines and metals, are considered to be core positions that are leading the so-called "North Korean-style socialist economy." The current secretary, who is in charge of heavy industries, is Chon Pyong-ho (69, ninth in power ranking) and was nominated in 1986. Chon is unrivaled in the area of construction theory. He is a loyalist to Kim Il-song and is also in charge of escorting and health of the two Kim's.

The Secretary in charge of machines and metals is Han Song-yong (66, 10th in power rank), who is known to be a

typical technocrat. Together with Chon, Han is known to have a significant influence on all of the economic ministers under the secretariat and vice premiers of the SAC.

Kim Kuk-tae (69, also WPK secretary), director of the Cadre Affairs Department, is in charge of party organization, personnel administration, and ideology control, dovetailed by Kim Chong-il's Organization and Guidance Department. He is also deeply involved in the personnel management of senior military officers. Being a son of former Vice President Kim Chaek, Kim Kuk-tae is an authority in ideology. He is such a talented manager that he earned the nickname of "standard-bearer of party works." In particular, he is known to have played a crucial role in laying the bridge for the start of the Kim Chong-il power system.

As director of Propaganda and Agitation Department since 1987, Kim Ki-nam (67, also WPK secretary), is in complete control of all the North Korean press, including NODONG SINMUN, Korean Central Broadcasting, and local newspapers. He is one of the core members to maintain the current power system.

Kim, who is a former editor in chief of the NODONG SINMUN, is the best known writer in the WPK, and is still playing a leading role to write Kim Il-song's new year's addresses.

The position of International Department directorship, which coordinates the foreign policy of which the two Kim's are somewhat ignorant, gets a high visibility in the era of a new detente. Current director, Kim Yong-sun (58, also WPK Secretary), is a rising star as a key player in diplomatic talks with the U.S. and Japan. Kim is filling the gap left by the death of Ho Tam, who is known to be the godfather of North Korean diplomacy.

On the military side, the minister of the People's Armed Forces and the chief of general staff, who control more than one million Armed Forces, are considered to be the two most important positions.

O Chin-u (83, also WPK Political Bureau's Standing Committee member), who has been minister since 1974, is the cream of the crop of power, controlling all of the regular Armed Forces. As Kim Il-song's right arm, O ranks third in power.

Chief of general staff, Choe Kwang (76, also vice chairman of National Defense Commission), who is under the minister of People's Armed Forces, is playing a role as the field commander, being in charge of the strategy, command, and control of the three Armed Forces and special commands.

The State Security Department is playing a role of antenna for the power, being in charge of inspecting the people's activities and foreign information gathering. The department also plays a role in removing any opposition power challenging the existing power.

On the side of the central government, it is not known who the director of the department is, since the death of

Yi Chin-su in October 1987. An authority in economic affairs, Kang Sang-son (62, ranking 11th in power) took over SAC's premiership on 11 December 1992 from Yon Hyong-muk (62, Chagang Province's responsible secretary). SAC's premier is the leader of government officials, executing the party's directions and decisions.

In addition, the following positions are also considered to be the core positions as well: WPK Secretary in charge of economic planning Pak Nam-ki (65), WPK Military Affairs Director Kim Kang-hwan (61), WPK Organization Guidance Department Director, and Three Revolutions Team Director Chang Song-taek (48).

The Korean Workers Party 1. Secretary in charge of public security - Kye Ung-tae (75)

2. Secretary in charge of heavy industry - Chon Pyong-ho (69)
3. Secretary in charge of machine and metal - Han Song-yong (66)
4. Director of Cadre Affairs Department - Kim Kuk-tae (69)
5. Director of Propaganda and Agitation Department - Kim Ki-nam (67)
6. Director of International Department - Kim Yong-sun (58)

Military

7. Minister of People's Armed Forces - O Chin-u (83)
8. Chief of General Staff - Choe Kwang (76)

Central Government

9. Director of State Security Department - unknown
10. Premier of State Administration Council - Kang Sang-son (62)

ROK Press Assesses Kim Chong-il Associates

*** Reformist Kang Sang-son**

932C0073A Seoul CHUGAN MAEGYONG in Korean 6 Jan 93 pp 96-98

[By Kim Nam-yong]

[Text] At the Fourth Session of the Ninth Supreme People's Assembly (SPA) on 11 December, North Korea replaced Yon Hyong-muk, the State Administration Council's (SAC) premier, by former Premier Kang Song-san, who is currently the Workers Party of Korea (WPK) responsible secretary of the North Hamgyong Province and chairman of its People's Committee. The SPA also made a major reshuffle of the cabinet-level members by replacing four heads of core economic committees and ministries in the SAC: the State Planning Committee, the External Economic Committee, the Ministry of Metal Industry, and the Ministry of Chemical Industry. It is also known that the "foreign investment law," adapted by the SPA's Standing Committee in October, was also approved.

The current reshuffle is characterized by the unusual comeback of Kang Song-san, who, as premier for three years between 1984 and 1986, had been promoting a bold economic open policy such as the HAPYONG (joint venture?) law; the reinstatement of Kim Tal-hyon, External Economic Committee chairman and Foreign Trade minister, as vice premier and State Planning Committee chairman, together with a promotion to the power core as one of WPK Central Committee's Political Bureau's candidate members; and the selection of the less known Yi Song-tae, who became vice minister of the eighth cabinet's Foreign Trade Ministry in 1987, as the External Economic Committee chairman, one of the core positions, because of his involvement in the United Nations Developmental Plan's (UNDP) Tuman River Developmental Work.

In particular, the replacement of these economic policy-making leaders in the last year of the third seven-year economic plan, indicates that the responsibility for the failure of the third seven-year economic plan, that was started in 1987, has been imposed on Yon Hyong-muk and that the forthcoming economic plan will be prepared and pursued better by Kang Song-san, who had already demonstrated his capability. Kang Sang-son, who is most trusted by both Kim Il-song and Kim Chong-il and is an expert on economic affairs, is considered to be the best person to resolve the difficult issue of the "economic open policy while maintaining the existing system," that North Korea is currently faced with, after the collapse of the Soviet Union and East European communist bloc nations.

Thus the reappointment of a reformist and authority in economic affairs, Kang Song-san, as premier and the promotions of Kim Tal-hyon, who has been active in the economic cooperation between South and North Korea, and of Kim Yong-sun, who has been leading the diplomacy with western nations and the policy toward South Korea as director of the WPK Central Committee's International Department, to one of the Political Bureau's candidate members, are considered to be an indication that North Korea is determined to accelerate its economic reform and open policy. It is also anticipated that the three men, who are all proteges of the two Kim's and are supporters of the succession of power to Kim Chong-il, might find a breakthrough in the deadlocked relationship between South and North Korea.

The SAC consists of 44 organizations in total: one premier, 11 vice premiers, 14 committees, 25 ministries, and special agencies. The SAC is carrying out the function of administrative execution guided by the Central People's Committee (CPC), headed by President Kim Il-song. The premier and nine of the 11 vice premiers are economic brains. All the committees and ministries, except for the four ministries and four committees, including the foreign affairs and public security ministries, and the education, culture and art, and the state sports committees, are characterized as being economically oriented.

This trend started from the sixth SPA in 1977, when Yi Chong-ok, an economics cabinet member, was nominated as the Premier. It was for the first time for a former economics cabinet member to become the premier. It was when Kim Chong-il's power was just emerging. It was at this time that many professional technocrats, including Kang Sang-son, Kim Hwan, So Kwan-hi, Hong Song-nam, Hong Song-yong, and Yon Hyong-muk, who have been groomed as the so-called national cadres, were nominated as cabinet-level members. They are all the revolution's second generation. They are the closest associates of the two Kim's and are considered to be the most powerful defendents of the existing power system.

When Yi Chong-ok became vice president in the middle of the seventh SPA, leaving the economic crisis caused by the failure of the second seven-year economic plan unresolved, the first Vice Premier Kang Song-san was promoted to be the new premier.

Born in 1931 in the North Hamgyong Province (also known to be born in 1926 in Pyongyang), Kang Sang-son is known to be the son of Kim Il-song's aunt. Since he is also known to be Kang Kon's nephew, his lineage is not quite clear. Kang went through an elite course of studying at the Moscow University after graduating from the Mangyongdae Revolutionary Institute. Kang started his political career from the local party member, starting as a party's responsible secretary in 1969 at a young age of 38 and promoted to the responsible secretary of Pyongyang in 1970.

After serving as chairman of the People's Committee in Pyongyang in 1973, Kang ascended a cabinet level in 1975 to be the chairman of SAC's Transport and Communications Committee. In 1977 Kang was promoted to be vice premier when Yi Chong-ok became premier. In the same year, Kang became one of WPK Political Bureau's candidate members and in 1980 a full member. In January 1984, Kang was promoted to SAC's premier. While being the premier, he became WPK Central Committee's secretary in charge of economic affairs in 1986 to become a real forerunner among the revolution's second-generation.

In particular, Kang accompanied Kim Il-song's tour of the Soviet Union and the Eastern block nations in 1984 and saw the development of these nations. It is known that after this tour Kim Il-song ordered Kang to promote an economic reform, reproaching the officials who had been lying to him that "North Korea is the best nation to live." Kang lead the North Korean economy ambitiously, attempting to change the traditional policy of self-sufficiency in a closed society to the gradual open economy by imitating the Chinese-style open policy of the so-called "open within the boundary of the existing system," which resulted in the HAPYONG (joint-venture?) law. Kang also tried to get the General Association of Koreans Residing in Japan, also known as Chochongnyon, involved in the modernization efforts of the industrial technology production. His economic reform efforts, however, did not proceed as planned

mainly due to the low productivity related to the inherent organizational vulnerability and the lack of foreign investments caused by increasing foreign debts. Furthermore, conservative hard-liners' concerns about the market economy put an end to Kang's economic reform efforts, which forced him to step down from the position of premier in December 1986.

Kang harbored such a deep trust from the two Kim's that even after stepping down from the premiership, he was able to maintain the fourth place in the power ranking as a full member of the political bureau until 1988. While he was WPK's responsible secretary of the North Hamgyong Province, he visited China, leading the delegation of the central and province party representatives, to negotiate economic cooperation. He also promoted significant economic cooperation efforts, including the projects involving the Tuman River special economic district, and the Najin-Sonbong free trade zone.

There is a rumor that Kim Il-song, foreseeing that the North Hamgyong Province has a strong potential for developing into a future trade center because of its geographical proximity to China and the former Soviet Union, sent Kang there based on a strategic calculation, since Kang is known for his strong motivation for achievement. It appears that Kang was renominated as premier because of his outstanding performance in the North Hamgyong Province. For the same reason, Yon Hyong-muk, who is capable and has won the trust of the two Kim's, was sent to the Chagang Province, where North Korea's largest industrial complex is located and military facilities are concentrated. Kim Il-song provided an opportunity to Yon, a technocrat who is very knowledgeable in heavy industries, to carry out the policy related to heavy industries. These are known to be a typical Kim Il-song style of utilizing manpower.

Vice Premier Kim Hwan, who is known to be an authority in chemical industries, is considered to be one of the troika of professional technocrats, together with Kang Sang-son and Yon Hyong-muk. Kim Hwan's renomination as Chemical Industry minister appears to reflect a strong determination to overcome the economic crisis, by utilizing his expertise in this area. The nomination of Vice Premier Choe Yong-nim, as Metal Industry minister as well, by relieving the current position of the State Planning Committee chairman, is also interpreted to be the two Kim's policy to keep their proteges in power to maintain the existing power system.

* Appointments to Pragmatists

932C0073B Seoul CHOSON ILBO in Korean
31 Dec 92 p 20

[By To Chun-ho]

[Text] Many changes in the North Korean leadership have occurred in 1992. Some say that the most significant changes have occurred this year in the North Korean power structure since the Kim Chong-il power emerged in the late 1970's. A substantial number of

personnel, including the premier, has been reshuffled. The power ranking in the upper echelon of the party, central government, and the military has also changed.

A careful evaluation of the changes in the North Korean power structure reveals two aspects. One is an indication of completing Kim Chong-il's succession system. The other is the conspicuous emergence of pragmatists. Since he has been picked as the supreme military commander, Kim Chong-il demonstrated his power for the first time by replacing 664 Armed Forces generals last April, the largest scale in the history of the People's Armed Forces, on the occasion of the commemorating the founding of the North Korean armed forces. While promoting the revolution's first generation to figure head positions, such as Wonsu [equivalent to five-star general] or Chasu [between Wonsu and the four-star general], Kim Chong-il filled the core positions with his pragmatist proteges.

A similar trend can be found in the reshuffle of the party and the central government officials that he made during the Supreme People's Assembly started on 11 December 1992. Yon Hyong-muk, who has been premier for the past six years, was replaced by the second-time Premier Kang Song-san, who has been the Workers Party of Korea (WPK) responsible secretary of the North Hamgyong Province. The major positions in the central government and ministries in charge of economic policy-making in particular, have been filled by Kim's confidants. The new premier, Kang Song-san, has won a special trust from both Kim Il-song and Kim Chong-il. During his first term as premier, Kang showed a serious interest in the open policy, evidenced, for example, by the HAPYONG (joint-venture?) law that he pushed to become a law in 1984. Other significant figures, who emerged with Kang, are Kim Yong-sun and Kim Tal-hyon. Kim Yong-sun, director of the WPK Central Committee's International Department, has been the major player in the diplomacy with U.S. and Japan. Kim was the first North Korean to meet with high-ranking U.S. Government official, Kantor [name as published], under secretary of State, in January 1992. Kim Yong-sun entered deeply into the core of political power by being nominated as one of the WPK Central Committee's Political Bureau's candidate members in December 1992, followed by the appointment as Chairman of SPA's Foreign Affairs Committee last April.

Kim Tal-hyon was appointed for the second time since 1988 as chairman of the State Planning Committee, an organization comparable to South Korea's Economic Planning Board, from the position of chairman of SAC's External Economic Committee. Kim was also nominated as one of the Political Bureau's candidate members. These movements imply that North Korea will try to exercise an open policy based on the diplomacy centered around the United States and Japan. It appears that the following high-level individuals are also expected to exercise significant influence: the Three Revolutions Team director, Chang Song-taek, who was nominated as a member of WPK's Central Committee; Taesong Bank President Choe Pong-man; Yi Pong-kil,

who was nominated as the Central Inspection Committee chairman; Kim Kuk-tae and Kim Ki-nam, who were nominated to be WPK's secretaries. Among these, Chang and Choe, who are Kim Chong-il's brothers-in-law, are the closest confidants, who are known to have even been managing Kim's secret funds. In short, Kim Chong-il executed a reshuffle according to his plan. There remains, however, one unanswered question. That is, despite the constitutional amendment last April, that placed Kim Il-song's overall military commandership to the chairman of the National Defense Commission, Kim Chong-il still remains the first vice chairman of the Commission, rather than the chairman.

Could it be because the current chairman of the National Defense Commission, Kim Il-song, did not like his son having too much power? Or is it because of military pressure? Or is he waiting for a good timing? Nobody seems to know at the present time. Although the last theory seems to be the most plausible, it may be clarified in 1993.

South Korea

Reaction to DPRK's Treaty Withdrawal Continues

Minister Meets UN's Butrus-Ghali

SK2403232893 Seoul YONHAP in English 2302 GMT
24 Mar 93

[Text] United Nations, March 24 (YONHAP)—South Korea asked the United Nations to take a keen interest in North Korea's nuclear problem Wednesday and invited U.N. Secretary-General Butrus Butrus-Ghali to visit Seoul at an early date. Foreign Minister Han Sung-chu met with Butrus-Ghali at U.N. headquarters and requested the global body's support in finding a diplomatic and peaceful resolution to Pyongyang's nuclear issue.

He also asked that the United Nations consult closely with the Seoul government in handling the problem. Han invited Butrus-Ghali to visit Seoul at an early date for closer bilateral cooperation, officials said. He reminded Butrus-Ghali that Seoul contributed 2 million U.S. dollars to the U.N. Peacekeeping Operation (PKO) in Somalia and it had pledged active participation in future PKO dispatches.

The South Korean foreign minister arrived here Tuesday for key negotiations with U.N. leaders, who are expected to address the issue if North Korea refuses to accept international nuclear inspection. The International Atomic Energy Agency (IAEA) is to pass the issue along to the U.N. Security Council if Pyongyang does not comply with the inspection demand by end of this month.

Han also met with New Zealand Ambassador Terence O'Brien, head of the Security Council for March, and expressed serious concerns over North Korea's withdrawal from the Nuclear Nonproliferation Treaty

(NPT). He explained that Seoul hoped to solve the nuclear problem before it led to U.N. sanctions against North Korea.

Butrus-Ghali To 'Personally Intervene'

*SK2503020793 Seoul YONHAP in English 0144 GMT
25 Mar 93*

[Text] United Nations, March 24 (YONHAP)—U.N. Secretary-General Butrus Butrus-Ghali told South Korea's foreign minister on Wednesday that he would personally intervene to solve North Korea's nuclear problem. He would consult with the International Atomic Energy Agency (IAEA), the U.N. Security Council and U.N. members on possible solutions as secretary-general. Butrus-Ghali was quoted as telling visiting Foreign Minister Han Sung-chu.

Han arrived Tuesday for key negotiations with U.N. and Security Council leaders as the March 31 deadline nears for North Korea to either accept IAEA special inspections or face U.N. sanctions. The foreign minister explained the latest developments on the inter-Korean nuclear issue and South Korea's position that North Korea must comply with the Nuclear Non-Proliferation Treaty (NPT). He asked Butrus-Ghali to support South Korea as U.N. secretary-general and find appropriate actions to solve the problem.

North Korea refuses IAEA inspections on two highly suspected nuclear sites and announced March 12 it was leaving the NPT. The secretary-general expressed "serious concern" at North Korea's decision. Seoul officials said after the 40-minute talks. North Korea's supreme policymakers apparently did not know how grave an issue nuclear nonproliferation was in the international community, Butrus-Ghali told Han, emphasizing the need to convey this consensus to Pyongyang leaders.

Butrus-Ghali suggested "preventive diplomacy" on North Korea and promised to initiate gestures in consultation with the IAEA, the Security Council and U.N. members. The secretary-general also promised to visit Seoul in the near future in response to Han's invitation. Han invited the U.N. leader to come to Seoul at the opening of the Taejon Expo in August, but Seoul officials said they hoped for an earlier visit.

The foreign minister pledged wider South Korean participation in U.N. peacekeeping operations, starting with current efforts in Somalia, the officials said. Seoul would notify the U.N. Secretariat of the troop size and details of its contingents to Somalia in two to three weeks at the latest, Han told Butrus-Ghali. The foreign minister followed the talks with meetings among Security Council members, including the ambassadors from Japan, Britain and France. He and the envoys exchanged views on North Korea's suspected nuclear program, with Han requesting their support for peaceful settlement of the problem.

Han is also to meet Ambassador Chen Jian from China to ask for Beijing's intervention to bring North Korea

back to the NPT and Ambassador Jamshed Marker of Pakistan, who chairs the Security Council for April. Marker is likely to be the key figure when North Korea's nuclear controversy passes from the IAEA to the United Nations. Foreign Minister Han said he expected the Security Council to take action, possibly sanctions, by April 10 if the issue went to the United Nations.

Minister Requests PRC Role in Dispute

*SK2503120693 Seoul YONHAP in English 1155 GMT
25 Mar 93*

[Text] Seoul, March 25 (YONHAP)—The South Korean Government on Thursday asked China to make positive and fair efforts to help resolve North Korea's nuclear issue. "China's excessive support for North Korea in the controversial nuclear question is not desirable for peace and stability on the Korean peninsula and in the rest of Northeast Asia," Vice Foreign Minister Hong Sun-yong told Chinese Ambassador Zhang Tingyan at his office.

A Foreign Ministry official said Ambassador Zhang replied that there is a limit to China's influence on North Korea. "We hope that North Korea's nuclear issue will be resolved through negotiations with patience," Zhang was quoted as saying.

Replying to Vice Minister Hong's inquiry on the prospects of China-Taiwan relations, the Chinese envoy said, "There is a progress in exchanges between the two sides." But, Beijing's position remains unchanged that China cannot accept intergovernmental exchanges with Taiwan on an equal footing other than party-to-party or central government-to-provincial government exchanges, Zhang said.

ROK Prepared To Raise Issue at UN

*SK2503092793 Seoul YONHAP in English 0552 GMT
25 Mar 93*

[“News analysis” by Yi Tong-min]

[Text] United Nations, March 24 [date as received] (YONHAP)—South Korea has finished preparations to raise North Korea's nuclear issue in the United Nations, getting key Security Council members and the secretary-general to take joint action by early April. South Korean Foreign Minister Han Sung-chu, after contacts with Security Council ambassadors and U.N. Secretary-General Butrus Butrus-Ghali, said on Wednesday that the Council "will take action by April 10," giving the first formal indication that the matter will be introduced at the global body.

By the time he caps his U.N. visit on Thursday, Han will have met with all permanent members of the Security Council except Russia, Ambassador Terence O'Brien of New Zealand, who heads the Council for March, and his successor in April, Jamsheed Marker of Pakistan. Seoul officials accompanying Han refused to disclose details of

the contacts, but one source said that the foreign minister had held "strategic negotiations" with the envoys, strongly suggesting that Security Council-level actions are imminent.

The International Atomic Energy Agency (IAEA) has issued an ultimatum demanding special inspection on suspected North Korean nuclear facilities by the end of this month. The agency will pass the issue to the Security Council if North Korea doesn't comply with the deadline.

Butrus-Ghali said he himself will take an interest as U.N. secretary-general after expressing "serious concern" over North Korea's withdrawal from the Nuclear Nonproliferation Treaty (NPT). His remarks strongly indicated the United Nations may send a special high-level negotiator to Pyongyang, and Butrus-Ghali told Foreign Minister Han there was a need to make North Korea's chief policymakers realize how the world community was trying to enforce and guarantee nuclear non-proliferation through the United Nations.

Officials at the South Korean mission denied immediate plans for any such envoy, but one official said it was well within the realm of practical possibility once North Korea's nuclear issue does pass from the IAEA to the United Nations. Han's U.N. trip was hastily arranged, added at the last minute to a U.S.-Canada-Japan tour after North Korea's unexpected announcement of its NPT withdrawal March 12.

This arrangement is widely interpreted as an attempt by Seoul to get the global body involved in concrete action as soon as the March 31 deadline passes. Han, during his 40-minute talks with the secretary-general, asked him to take appropriate measures as U.N. leader to settle the nuclear problem in North Korea.

Any measures are unlikely to be immediate sanctions against North Korea. China can always veto such a resolution. Chinese Foreign Minister Qian Qichen said in his annual news conference in Beijing on Thursday that his country opposes even "bringing up the matter before the U.N. Security Council," let alone coordinating an international response.

The best that Seoul can do at this point is to ask Beijing to work on Pyongyang so that it will return to the NPT. South Korean officials said they were trying to convince China to at least abstain if there is a Security Council vote on sanctions.

Seoul repeatedly said it wants to solve the controversy before it becomes an international issue. It is worried that once the issue is addressed globally, the world community, especially the United States, will take much harsher actions, endangering peace and security on the Korean peninsula. But South Korea doesn't expect North Korea to allow an IAEA special inspection by the deadline, and it judges inter-Korean dialogue will not open until late April, after North Korean leader Kim Il-song's nationally celebrated birthday April 15. Judging from the timing, Seoul hopes that the United Nations

will send a firm and clear warning to North Korea before inter-Korean talks to force Pyongyang to cooperate with international nuclear inspection.

Minister Han said that a resolution by the Security Council demanding North Korea's compliance with IAEA inspections, and a statement issued by Secretary-General Butrus-Ghali were immediate possibilities. Visible U.N. support would be invaluable at this point. The IAEA has no means to act on its own to enforce inspection on North Korea.

Getting the United States to lead international actions would only aggravate North Korea, which lashes out at Washington for abusing international organizations like the IAEA and the United Nations in its own self-interest. U.N. involvement is apparently the only practical answer for Seoul, a way to effectively warn North Korea and show that the world is ready to take joint action if necessary. Han leaves for Washington on Thursday to coordinate strategies with the Bill Clinton administration. He will explain Seoul's position on U.N. actions and ask that Washington hold off on any immediate, stringent response toward North Korea.

Paper Outlines DPRK, ROK Positions

SK2503041493 Seoul THE KOREA HERALD
in English 25 Mar 93 p 2

[By staff correspondent Kim Hye-won]

[Text] Despite a global trend toward reconciliation and the signing of the historic inter-Korean accord on basic relations in 1991, many people still believe relations between the two Koreas remain as cold as ever. Pyongyang's nuclear ambition has been cited as a major barrier to improvement in inter-Korean relations. All South-North dialogue has been suspended since last December as a result of the impasse over the nuclear issue.

Seoul officials had forecast that Pyongyang might return to the negotiation table after the South Korea-U.S. joint military exercise, 'Team Spirit,' was over in March. But contrary to their prediction, a state of unease has pervaded the Korean Peninsula following the North's abrupt declaration that it was leaving an international treaty on nuclear nonproliferation (in mid-March).

North Korea has not shown any signs of retracting its decision despite continuous pressure from the international community. Many officials in Seoul believe the issue is certain to be brought to the United Nations if Pyongyang does not comply with the demand by the International Atomic Energy Agency (IAEA) to accept its special inspection by March 31, the deadline set by the agency.

Some South Korean officials are voicing hopes that North Korea will return to negotiations on its nuclear issue sometime after April 15, the 81st birthday of its leader Kim Il-song. Their hope is based on the observation that the communist country decided to pull out of

the Nuclear Nonproliferation Treaty (NPT) partly for the domestic reason of solidifying its system.

In the months before Kim's birthday, North Korea usually tends to strengthen its political propaganda. This year, when the North Korean leadership feels that it has achieved that goal to some degree after the birthday, it may soften its stance toward other countries, the officials said.

A more common view in Seoul is, however, that North Koreans will drag out this issue for a considerable time for leverage in negotiations with other countries, including those on normalization of ties with Japan and the United Nations. North Korea, in fact, has made conflicting gestures toward the United States. During a counselor-level contract in Beijing March 19, North Koreans rejected the U.S. request to reverse the decision to pull out of the NPT.

On the other hand, officials from the North are continuously suggesting bilateral consultations between Washington and Pyongyang to resolve the nuclear issues. Seoul officials do not completely rule out the possibility that Washington may accept their wish, saying that they do not oppose such contacts if they are helpful to relieving the current crisis. But the two sides are not likely to meet anytime soon in view of their widely conflicting positions, the officials said.

One official said Seoul wants to mobilize all possible channels to resolve the North Korean nuclear problem—both bilateral or multilateral. But bilateral negotiations, either between South and North Korea or between the United States and Japan, can not exempt North Korea from receiving special inspections by IAEA, he said. Acceptance of special inspections by the agency is a must, the official said. Therefore, he said, Seoul's strategy is first of all to exhaust all possible means at the IAEA to persuade North Korea to accept the agency's special inspections of suspected nuclear facilities.

The Vienna-based IAEA is planning a special session of its Board of Governors March 31 solely to discuss the North Korean nuclear question. When the agency has exhausted all possible means of inducing the North to reembrace the treaty, the U.N. Security Council will take up the issue with full cooperation from China, one official said.

ROK To Pursue DPRK Trade After Dispute

SK2503042493 Seoul THE KOREA HERALD
in English 25 Mar 93 p 1

[Text] The government desires to actively push direct trade with North Korea and wants Seoul to become Pyongyang's No. 1 trade partner by 1995. Such policy will be pursued once the pending issues on the North's nuclear program are settled according to the National Unification Board (NUB). This year, South Korea will increase direct inter-Korean trade to make itself the North's No. 3 trade partner, said Han Wan-sang, deputy

prime minister of national unification, in a policy report to President Kim Yong-sam at Chongwadae [presidential office] March 15.

Han said in the report that the government will first make every effort to break the stalemate created by Pyongyang's decision to pull out of the Nuclear Nonproliferation Treaty (NPT), an international nuclear control accord. According to North Korea watchers in Seoul, Pyongyang may have extracted seven to 20 kg of plutonium and may be able to produce one to three nuclear weapons by 1995.

Han noted that substantial improvement of inter-Korean relations cannot be hoped for without first settling the problems caused by North Korea's nuclear weapons program, which is under attack from the international society as a menace to world peace and to security in Northeast Asia. But once the issues are solved, the National Unification Board will push this year such projects as bilateral opening and exchanges of radio and TV programs, formation of an inter-Korea single team for the 1994 Hiroshima Asian Games, and exchange visits of students, journalists and religious figures, Han said.

To help expand direct trade between South and North, Han said his ministry will seek opening of sea routes between the port cities of Pusan, Inchon and Pohang in the South and Nampo, Wonsan and Chongjin in the North. Han said the government also hopes to persuade the North to participate in the Taejon Expo, scheduled to run from August to November, and to promote tourism between the two sides.

Referring to other projects the ministry plans to seek for the coming five years, the deputy minister said reunion of separate family members is the ministry's top priority. To tackle the issue, the government will talk with the North in a bid to open a meeting place at Panmunjom for dispersed family members to get together and also to establish an office in the truce village to exchange their letters, Han said.

The NUB is also making every effort to realize Seoul's proposal for a South-North bilateral inspection of nuclear facilities in a bid to conduct thorough inspections of North Korea's nuclear weapons sites, according to Han. Han said the NUB is also endeavoring to restore mutual trust between South and North through exchanges and cooperation in the economic, social and cultural fields; to help enhance the living standards of North Koreans and establish the economic foundation of the united Korea.

To carry out the projects, which President Kim Yong-sam presented as campaign pledges, during Kim's term of office, the NUB will soon map out detailed schedules, Han said. Of the projects, the NUB will start with what can be done right now, including the repatriation of Yi In-mo, a North Korean guerrilla fighter captured during the Korean War (1950-1953). Yi, 76, was sent back to the North March 19 in a humanitarian gesture toward

the North, though Pyongyang was still sticking to its hard-line stance with regard to its decision to pull out of the NPT.

Deputy Prime Minister Han said that the government will push to break out of the deadlocked inter-Korean relations by solving the problem surrounding North Korea's nuclear program. Relevant government ministries are making joint efforts to urge the North to drop its plan to withdraw from the NPT and abide by an earlier agreement on the denuclearization of the Korean Peninsula, Han said.

To help collect a variety of opinions of the government's unification policy, the NUB will have frequent dialogue with civic groups, journalists and other opinion leaders, and step up cooperative relations with the political parties, said Han. The government will take advantage of the existing "North Korea Data Center" and "North Korea Hall" to inform citizens better about North Korea and the NUB's unification policy, Han said.

Han said the NUB will have improved capability to collect information about North Korea, adding that the NUB and the Agency for National Security Planning (NSP) will share the information on an equal basis. In preparation for a resumed inter-Korea dialogue, the southern delegation of the Inter-Korea High Level Officials's Meeting, subpanels and joint committees will be reshuffled, Han said. In addition, the government will continue to push bilateral arms control and peaceful usage of the Demilitarized Zone (DMZ) separating the two Koreas, Han said.

He said his ministry will endeavor to help establish an inter-Korean hot-line between top military officials of the two sides, as had been agreed on in earlier South-North talks, as early as possible. The existing South-North cooperation fund, which is now set at about 100 billion won, will be increased to 1 trillion won by 1995, Han said.

Han also said his ministry seeks establishment of permanently stationed liaison offices in Seoul and Pyongyang, replacing the current South-North Liaison Office in Panmunjom. With the goal of building an "advanced, democratic and unified state within the century," Han said the government's North Korea policy is centered on "national welfare." He cited the inaugural speech of President Kim that said "ideology and thoughts cannot bring more happiness than a unified nation."

ROK Imports PRC 'Heavy Water' for Atomic Plant

*SK2503023893 Seoul YONHAP in English 0148 GMT
25 Mar 93*

[Text] Seoul, March 25 (YONHAP)—South Korea has imported four tons of Chinese heavy water for use in one of its atomic power plants since a ban was lifted last year, informed sources said Thursday. Heavy water was

among items it was illegal to import from communist countries until last year, when diplomatic relations were normalized with China.

Sunkyoung Ltd. imported four tons of heavy water from China late last year for reactor No. 1 of the Wolsong Atomic Power Plant. The reactor, built in a technical tie-up with Candu Co. of Canada, is the only one in Korea that uses heavy water and requires 450 tons for operation and four to five tons as reserves because it consumes that much each year. Sunkyoung bid to supply Chinese heavy water to the reactor this year in a tender to the Korea Electric Power Corp., owner of the reactor, that closed on Tuesday, the sources said.

Heavy water costs 180 million won a ton and Sunkyoung paid about 1 million U.S. dollars for the Chinese heavy water. Prior to this, the Wolsong reactor had used Canadian heavy water.

Economic Organizations To Send Missions to PRC

*SK2503092893 Seoul YONHAP in English 0616 GMT
25 Mar 93*

[Text] Seoul, March 25 (YONHAP)—South Korean economic organizations are to send their respective missions to China one after another this year to explore the possibility of expanding investment in China, industry sources said Thursday. The Korea Chamber of Commerce and Industry [KCCI] will send a 25-member delegation headed by KCCI Chairman Kim Sang-ha to China in the middle of April for two weeks.

The team is to visit economic organizations and industrial facilities in Beijing, Shanghai and Tianjin. Members will discuss economic cooperation with Chinese officials and industrialists. The Korea Foreign Trade Association (KFTA) is to send economic missions to China in August and in October.

The team in August, comprising delegates of 20-odd industries, is to investigate the circumstances for investment in China and to seek partners for joint-venture projects. The team in October is to seek to open China's market wider for Korean products. KFTA Chairman Pak Yong-hak or Vice-chairman Hong Song-cha will lead the team.

The small and Medium Industry Promotion Corp. is to send its delegations to China in the second half of the year with representatives from 20-odd small- and medium-sized industrial companies. It sent economic missions to Beijing, Tianjin and three provinces in northeastern China last year, so the teams is to visit mainly southern parts of China to seek cooperation and investment. The Korea Auto Industries Cooperative Association is to send a 20-member delegation in September to seek ways for automobile parts companies to advance into China.

**ROK, U.S. To Hold Plant Quarantine Talks
25-26 Mar***SK2503041893 Seoul THE KOREA HERALD in
English 25 Mar 93 p 8*

[Text] Korea will ask the United States to permit the import of five farm products from Korea—kiwi, lettuce, eggplant, unripe hot pepper and bud of aralia elater—during plant quarantine talks to be held in Washington, D.C., March 25-26, the National Plant Quarantine Service (NPQS) said yesterday. NPQS officials said they expect the U.S. side to ask the Korean side to permit the import of American pine lumber during the two-day meeting in the U.S. capital.

The meeting is the fifth of its kind since 1990. The four previous rounds have opened the way for Korea to export to the United States six farm products, including onions, shepherd's purse, mugwort and beet. NPQS officials said they expect the U.S. side will soon agree to the import of Korean strawberries, watermelons, cucumbers, melons and pumpkins. The Korean government has already asked the United States to permit the import of Korean apples, onshu oranges and persimmons.

Former Presidents Not Asked To Declare Assets*SK2503050193 Seoul YONHAP in English 0304 GMT
25 Mar 93*

[Text] Seoul, March 25 (YONHAP)—Senior Presidential Press Secretary Yi Kyong-chae, said Thursday that it was up to former presidents whether they wanted to declare their assets. Yi was commenting on a suggestion of the Korean Parliamentarians' Society, an association of former lawmakers, that former presidents as well should make their assets public.

"President Kim Yong-sam's basic intention is not to bare the past, but to prevent people from accumulating wealth using high public office by revealing their assets," Yi said. "So opening the assets of former presidents is up to their own judgement and it is not something Chongwadae is concerned about."

YONHAP Views Kim Yong-sam's Initial Reforms*SK2503091993 Seoul YONHAP in English 2344 GMT
24 Mar 93*

[Text] Seoul, March 25 (YONHAP)—Since Kim Yong-sam became Korea's first civilian president in three decades, he has opened the road leading to Chongwadae, the much dreaded and awesome seat of power, to the ordinary people. And this short period of time, Chongwadae was transformed into an ordinary neighbor: literally to many citizens and symbolically to everybody in the country.

President Kim has not, of course, just changed the presidential office, but has started the whirlwinds of reform that are sweeping the nation with near-revolutionary fervor. His avowed intention of rooting

out corruption and restoring high ethical standards for society is felt in every corner. The most noteworthy changes, however, have taken place in Chongwadae. It has become a place where, to use the words of one official, people work, not just wield power.

Kim himself works from 7:30 in the morning through 8:30 at night. For 13 hours every day, his scheduled is crammed with meetings, visits to places where presidential attention is needed and checks to see how national policies are being handled by government agencies, his aides say. He has decisively simplified presidential protocol and security arrangements, taken over-seriously by the army generals-turned-presidents who occupied the office before him. The money and time saved through the simplified processes he uses for practical purposes. When he receives reports from his cabinet ministers, he goes directly to the heart of the matter, eliminating formality.

Information policy debates with senior presidential secretaries on the general direction of his policies over a glass of wine in the evening are not an uncommon sight, his aides say. Kim is good at creating an atmosphere in which aides and ministers, and sometimes even directors-general of ministries, can raise objections or dispute his policies. If they offer persuasive policy alternatives, he accepts them on the spot, correcting, modifying or replacing his own with theirs, according to Yi Kyong-chae, presidential spokesman.

Kim is trying not only to lead the country away from the authoritarianism that became entrenched during three decades of military governments but is trying to restore a correct sense of values among the people. In his first press conference, on March 4, Kim vowed he would not receive a penny from anyone, expressing his intention to make it a starting point for his anti-corruption drive. The idea is if he does not receive any money, high-ranking officials just below him won't either and so on down the line.

Kim will not accept any money or presents from foreign dignitaries visiting Korea, nor will he receive any political contributions or give money or gifts to those who visit him, his aides say. Stephen Cardinal Kim Su-hwan, Roman Catholic prelate in Korea, who met Kim on March 19, was reported to have said that the president appears kind-hearted and benign on television but actually he is resolute and decisive in his work.

The Cardinal's observation was born out in many policy decisions. He sent Yi In-mo, the North Korean guerrilla fighter captured in the South and imprisoned for more than 30 years, back to the North without any conditions. He refused to accept monetary compensation from Japan for the so-called Korean comfort women, sexually abused by Japanese soldiers during the World War II. And in one lightning stroke that surprised everyone, he replaced the Army Chief of Staff and head of a powerful military intelligence command.

Kim's unswerving dedication to reform was also manifest in his moves to upgrade the Board of Audit and Inspection with broader powers to enforce anti-corruption measures and to reorganize the once-powerful Agency for National Security Planning (NSP). He managed to surprise almost everybody by bringing in Kim Tok, a university professor, to head the agency, ending three decades of tradition that saw high-ranking military officers controlling the NSP. He also changed the agency to such a way that it had to concentrate only on collecting information on North Korea and other countries and stop meddling in domestic politics.

One of the main points emerging from the first month of his presidency is that he plans to go directly to the people with his major policies, appealing for their support and obtaining a national consensus. At this initial stage, an overwhelming majority of the people appear to approve of his way of running the country, especially his reform programs.

But they had been let down many a time before with previous presidents, who had also started with enthusiasm for reform and constructive ideas only to trail into lethargy and inaction as the days passed by. They all hope that the civilian government of Kim Yong-sam will not follow in the footsteps of previous administrations.

DLP Committee Narrows Assets-Disclosure Probe

SK2503041393 Seoul YONHAP in English 0111 GMT
25 Mar 93

[Text] Seoul, March 25 (YONHAP)—Government auditors and tax officials are looking into the announced personal assets of more than 20 of ruling Democratic Liberal Party [DLP] lawmakers to see if they have speculated in real estate or evaded taxes. The government began the investigation Wednesday of the lawmakers, including speaker of the National Assembly Pak Chun-kyu, after President Kim Yong-sam instructed the DLP and the government to look into the processes by which they had acquired their wealth and take strong measures against them if they were found to have violated any law.

The ruling party and the government have decided to wind up the investigation this week and recommend them to quit their jobs in the National Assembly or with the party. The party is expected to urge Pak Chun-kyu, Yu Hak-song, chairman of the National Defense Committee, and Kim Mun-ki, chairman of the Kangwon Provincial chapter of the DLP, not only to give up their posts but vacate their seats in the National Assembly, party sources said.

Pak and Yu indicated Wednesday that they will give up their posts in the assembly but were not considering resigning as representatives, the sources said. Rep. Kim Mun-ki, however, was reported to have told the party leadership that he would give up his seat in the assembly. But if Pak Chun-kyu and Yu Hak-song refuse to resign as

representatives, the DLP would not hesitate to expel them from the party, the sources said.

A ranking DLP official said that the party and the government will settle all the controversies arising from public disclosure of personal assets by government officials and lawmakers to "the satisfaction" of the people. "Anyone found to have violated the law shall not only be removed from public office but some of them could face criminal prosecution," the official said, requesting anonymity. The official said he understood there were a considerable number of lawmakers who had shrunk or hidden their assets and who had accumulated their wealth by abusing their public offices or who had evaded taxes.

Meanwhile, the party special committee, hastily formed to investigate the details of the public disclosure of personal assets, selected the targets of their probe while listening to clarification from Kim Mun-ki. The targets of the committee's probe number about 20 lawmakers, including Kim Chae-sun, Kum Chin-ho, Chong Ho-yong, Kang U-hyok, Na Ung-pae, Yim Chun-won, So Chong-hwa, Yi Won-cho, Chong Chae-mun, Kim In-yong and Yi Myong-pak, according to sources.

Parties Agree on By-Election Date

SK2503093093 Seoul YONHAP in English 0702 GMT
25 Mar 93

[Text] Seoul, March 25 (YONHAP)—The ruling and opposition parties agreed Thursday to hold by-elections in the Tongnae-a and Saha constituencies of Pusan and the Kwangmyong constituency of Kyonggi Province between April 20 and 23. In a high-level meeting at the National Assembly, they also agreed to let the government choose an election day in this time frame and to open a temporary National Assembly session as soon as the by-elections are over. The floor leaders of the two parties will set the schedule for the session.

The two parties were represented in the meeting by their secretaries-general, chief policymakers and floor leaders. The opposition Democratic Party [DP] demanded, as expected, that Kim Chong-pil, executive chairman of the Democratic Liberal Party [DLP], apologize for the political harm DLP electioneers allegedly did by saying the DP was sympathetic to North Korea during the December presidential election.

But the DLP responded that it would have its spokesman issue a statement to that effect, an offer which the DP rejected. They also agreed to cleanse politics. Before the meeting, DLP Secretary-general Choe Hyong-u, chief policymaker Kim Chong-ho, floor leader Kim Yong-ku and spokesman Kang Chae-sop paid a courtesy call on DP leader Yi Ki-taek and their respective counterparts.

Military Plans Equipment Disposal Regulations

SK2503014793 Seoul THE KOREA TIMES in English
25 Mar 93 p 3

[Text] The Defense Ministry has worked out stringent regulations on disposal of worn-out heavy military equipment to get rid of ill practices involving disposal of used items. The ministry will begin to enforce the new regulations from May, a related official said, adding that they were designed, among other things, to prevent recurrence of irregularities in handling old military equipment.

Last year, the Military Logistics Command (MLC) headquartered in Pusan came under heavy fire from the public when several of its field-grade officers were arrested for receiving kickbacks from businessmen in return for selling such worn-out heavy equipment as bulldozers without being completely scrapped. The old directives stipulated that the command dismantle all old equipment completely before selling it.

The official revealed that the ministry listed 10 major heavy equipment items including payloaders and excavators in the new regulations as items to be specially managed. Special management is badly needed to prevent illegal turnover to civilians because construction businessmen are very eager to purchase them in cheap prices, he explained.

Under the tough regulations, the ministry will receive from pertinent units detailed reports on management of the equipment and disposal of them on the regular basis. The ministry will also order related military inspection groups to directly monitor disposal of worn-out equipment in its effort to head off any sort of corruption.

He pointed out that corruption was easily committed in disposing of old heavy equipment in the past because outsiders such as military policemen and members of the Defense Security Command were allowed to check disposal on the scene. They colluded sometimes with logistics officers to get bribes from civilians in exchange for selling the equipment without completely scrapping them.

1992 GNP Records Smallest Increase Since 1980

SK2503100393 Seoul YONHAP in English 0834 GMT
25 Mar 93

[Text] Seoul, March 25 (YONHAP)—South Korea's economy posted its smallest increase in the gross national product since 1980 last year and per capita GNP rose just 231 U.S. dollars over a year earlier, the Bank of Korea [BOK] said Thursday. According to a provisional estimate of 1992 figures by the central bank, GNP stood at 148,251 billion won (186.9 billion dollars) based on the permanent price standard of 1985, up 4.7 percent from 141,623.2 billion won in 1991.

Last year's rise was the lowest since minus 3.7-percent growth in 1980 and just half the 8.4 percent of 1991. The

gross domestic product expanded 4.8 percent last year, compared with 8.5 percent in 1991. Per capita GNP rose to 6,749 dollars from 6,518 dollars.

GNP growth shrank from 7.4 percent in January-March to 5.9 percent in April-June, 3.3 percent in July-September, and 2.8 percent in October-December. The slow pace of GNP growth was due to sluggish exports and manufacturing, on top of a construction slump and lack of facility investment, BOK officials said. By industry, agriculture and fisheries rebounded to a 5.4-percent rise from last year's 1-percent drop thanks to a boom in cash crops and aquaculture, while mining and manufacturing saw its growth shrink to 4.6 percent from 8.7 percent.

Electric, gas and water services posted growth of 6.9 percent in 1992 (down from 7.4 percent in 1991); construction, minus 1.9 percent (down from 11.4 percent); services, 6.3 percent (down from 10.5 percent); and manufacturing, 4.8 percent (down from 8.9 percent) on a 1.3-percent fall in light industry and growth of 7.8 percent in heavy industry. While public construction works surged 14.7 percent, private residential and commercial building dropped 8.4 percent due to construction regulations.

In the service industry, financing and insurance posted rises of 16.9 percent, and the real estate sector stopped at 2.4-percent growth. Gross spending growth stabilized to 6.8 percent from 9.3 percent in 1991 and gross fixed capital declined 1.8 percent, compared with a rise of 11.8 percent a year earlier. Exports, including services, rose 9.8 percent, similar to 1991 growth, and imports stopped at a 2.9-percent rise, compared with 17.5 percent a year earlier. Household spending grew 6.4 percent, compared with 9.3 percent in 1991.

Rises of 12.8 percent and 11 percent in investment in facility and construction turned to falls of 0.8 percent and 2.6 percent, respectively. Investment on machinery, in particular, fell 3.1 percent, reflecting the inactivity of the economy. Merchandise exports notched up 9.7 percent, up from 9.5 percent in the previous year, helped by brisk shipments by heavy industry while imports ticked up 1.9 percent, compared with 17.5 percent in 1991.

Compensation of employees, including wages, allowances, bonuses and welfare funds, surged 11.8 percent despite the recession, and the distribution rate of labor income (compensation of employees divided by national income distributed) rose 61.9 percent from 60.5 percent, nearing the 70-percent level of advanced countries. The gross investment rate stepped back 3.1 percentage points from 39.2 percent in 1991 and the total savings rate fell 1.4 percentage points to 34.9 percent, but was still higher than the 30 percent in Japan and 33 percent in Taiwan.

Communications Ministry To Deregulate 'VAN' Market

SK2503041693 Seoul THE KOREA HERALD in English 25 Mar 93 p 3, 9

[By staff correspondent Choe Sang-hun]

[Text] Of all the catchwords that experts use to describe what telecommunications and computer technologies mean to our daily lives, the value-added network (VAN) is probably the most often heard. Airline companies these days not only fly a passenger to his destination but provide him with all the information he could possibly need through a computer network that links ticket reservation services to hotels, travel agencies, shipping centers and rent-a-car firms.

VAN services offer all of these services and more, but they have remained a concept alien to most South Koreans. That may soon change. The nation's value-added network industry will take a step closer to the public as the government has decided to open the fast-growing market wider to private competitors.

In an effort to boost the nation's telecommunications industry before an impending market liberalization, the Communications Ministry recently proposed easing regulations limiting private firms' participation in the VAN market. The government opened the domestic market of data base and data processing to foreign competitors in July 1991. The complete liberalization of the Korean VAN market is scheduled for January next year.

"By allowing private concerns to expand their business, we hope to push them to improve their capability to compete with potential foreign rivals," said ministry spokesman Kim Kun-hoi. According to the ministry's "master plan to boost the local VAN industry," private concerns will be allowed to provide corporate clients with voice services and wireless data base. Currently their operation is confined to such basic services as data base, data processing, electronic-mail, fax-transmission and electronic data interchange.

Other government measures include tax holidays for local VAN companies and financial assistance for facility investment and research and development. The ministry will also develop standard network models so that local firms can avoid wasteful overlapping investments in developing separate network systems. The government will also try to boost demand for VAN services by offering tax exemptions for businesses which invest in information technology and office-automation.

These measures could take effect in the first half of this year. The ministry has already begun rewriting related regulations, the ministry spokesman said. The local VAN market had been virtually dominated by two state-invested firms—Korea Telecom and Dacom—until July 1990, when the government for the first time allowed private concerns in the market.

Korea Telecom and Dacom are the only firms allowed to install and operate VAN lines, exchanges and transmission equipment. Private firms use the facilities on lease. The VAN industry, as its name implies, is an industry that specializes in creating "added-values" in other industries by use of computer and telecommunications technologies.

Considered one of the most promising fields in the Information Age, VAN services are instrumental to improving the productivity and competitiveness of such industries as tourism, banking, distribution and airlines. The Western industrial countries have long designated the VAN services as a key strategic industry and pushed hard to infiltrate into foreign markets.

The international VAN market is expanding 16 percent annually and is forecast to generate annual sale of \$420 billion by 1995, according to INPUT, an information services research and consulting firm. Opening up the domestic VAN market has been one of Washington's major demands in trade negotiations with Seoul. South Korea bowed to U.S. pressure in the second round of Korea-U.S. VAN services talks held in Washington in June 1991.

This fast-track market liberalization caught the embryonic local companies badly prepared to face foreign competitors, communications experts say. Since public and local businesses had been relatively unaccustomed to using computers, the local VAN market remained small. Twenty-three of the 30 local firms operating in 1991 were in the red.

In the coming years, however, the government expects the local VAN market to expand at a rapid pace of 30-40 percent annually. According to the Electronics and Telecommunications Research Institute forecasts, the market will grow 356 billion won in 1993 to 2.28 trillion won by the end of the decade.

Currently 93 firms are competing for a bite of the fast-growing market, and some 120 more competitors are forecast to join the fray in the next two years, the ministry said. Two foreign companies have so far invested in the South Korean VAN industry. IBM controls 33.3 percent of the shares in Samsung Data System, and EDS of the United States teamed up with Lucky-Goldstar to establish STM.

Nine local firms have contracts with foreign companies to receive international VAN services. An official at the ministry's Information and Telecommunications Bureau said the government is encouraging Korean firms to establish joint ventures with foreign companies to absorb advanced foreign technology and gain access to overseas markets.

Communications Official Denies 'Unfair' Trade Action

SK2503022193 Seoul THE KOREA TIMES in English
25 Mar 93 p 3

[Text] The United States is placing increasing pressure on the Korean government to disclose classified data on telecommunications equipment procurement projects to American companies. The latest threat from the United States to enforce "retaliation" against Korea for "unfair trade practices" is placing the local industry on yet another red alert.

According to Sok Chae-pom, assistant director of the Communications Cooperation Bureau of the Communication Ministry, the U.S. has been adamant in demanding outright qualification for AT&T in participating in procurement projects of Korea Telecom. The demand was made in Korea-U.S. working-level talks on outstanding trade and telecommunications issues held March 16-19 in Washington.

In the telecommunications section of the talks, Peter Collins, in charge of Korean Affairs at the Office of the U.S. Trade Representative, warned that the U.S. side will have no choice but to resort to enforcing Super Article 301 on Korea should Seoul refuse to comply with its "request." Collins charged that the Korean government was deliberately withholding information so as to provide an upper hand to Korean companies in upcoming procurement projects.

He allegedly said that the action on the Korean side is in violation of a related agreement on the liberalization of the Korean telecommunications market reached in February 1990 which went into effect from the beginning of this year. Sok explained, however, that the pertinent information asked for by the U.S. is against government procurement regulations and is not available to neither [as published] U.S. or Korean companies.

"We find it difficult to identify a position in response to the U.S. demand since we are simply following related regulations and legislation. We are not providing preferential treatment to anyone," Sok said. He further clarified that the ministry has as of March 8 forwarded all details pertaining to Korea Telecom procurement projects, the first bidding for which is expected to be held sometime in May.

Telecom, meanwhile, is learned to be engaging to consultations with AT&T to accelerate the process by which the American concern can qualify for its procurement projects, namely those for switching equipment. Sok said SESS switching systems, although developed by AT&T, have been purchased by Telecom but AT&T has not once directly provided the equipment, thus making the company somewhat "ineligible" for participating in the procurement projects. Virtually all Korean and U.S. companies are allowed to participate in the procurement projects for switching equipment and other telecommunications network devices but new entries are shunned in those that involved facilities expansion since the equipment must be compatible with existing machines.

Burma

Work Committee, Panel Chairmen Discuss Constitution

BK2503041993 Rangoon Burma Television Network in Burmese 1330 GMT 24 Mar 93

[Text] At 1300 today in Saya San Hall, Kyaikkasan Grounds, the National Convention Convening Work Committee [NCCWC] and members of the Panel of Chairmen for the National Convention held a coordination meeting to prescribe chapter headings for the state constitution. The meeting was attended by U Aung Toe, chairman of the NCCWC, and committee members and members of the Panel of Chairmen for the National Convention.

NCCWC Chairman U Aung Toe delivered an address explaining matters related to chapter headings that should be included in the state constitution. Daw May Than Lwin, member of the Panel of Chairmen from the Shan Nationalities League for Democracy, and U Tha Zan Hla, member of the Panel of Chairmen from the National League for Democracy, presented their suggestions on the points clarified by U Aung Toe. The meeting concluded at 1430 with closing remarks by Chairman U Aung Toe.

Rangoon Offers 12-Month 'Battle Reports'

BK2503053393 Rangoon Burma Television Network in Burmese 1330 GMT 24 Mar 93

[Text] Battle reports for the period from 21 March 1992 to 20 March 1993:

Northern Military Command: The people and the Defense Services jointly launched Operation Thurein Tun and Operation Min Thiha against the terrorist insurgents during which 38 major battles and 254 minor battles were fought.

On 3 April 1992 military columns under the Northern Military Command mounted an operation against insurgents from the 3d KIA [Kachin Independence Army] Brigade based in the border area located east of Momauk. Our military columns successfully captured Yegaung Camp and Lawhkun Camp on 7 April 1992 and Hkaiban Camp, Hkintit Camp, and Loi Long Kwan Camp—where the 3d KIA Brigade Headquarters is based—on 9 April 1992.

A total of 12 major battles, including the final assault on the camps, and 16 minor battles were fought during the course of the operation, and 23 corpses of KIA insurgents, 10 assorted small weapons, 5,131 rounds of ammunition, seven walkie-talkies, some documents, mines, 203 huts, and 210 trenches were recovered. During the course of the battles, 10 members of our Defense Services laid down their lives for the country and 15 were wounded.

On 20 May 1992, a military column clashed with about 10 KIA insurgents near Nantaw village, Mohnyin, during a mopping-up operation. Three enemy corpses

and four small arms were recovered. There were no casualties on our side. On 15 November 1992, a military column clashed with about 10 KIA insurgents during a mopping-up operation near Magyigwan village in Mansi Township. There were no casualties on our side. Three enemy bodies were recovered and two small arms were seized from them.

On 3 February 1993, a military column clashed with about 20 KIA insurgents during a mopping-up operation in Myothitkwin in Momauk Township. Our military column recovered three enemy corpses and four small arms. Three of our soldiers were wounded.

During the major and minor battles in the Northern Military Command between 21 March 1992 and 20 March 1993, 127 enemy bodies were recovered, 89 were captured alive, and 181 surrendered. 133 assorted weapons, 48 rounds of heavy weapon ammunition, 17,868 rounds of small arm ammunition, 277 assorted magazines, 172 mines, 18 hand grenades, 1,618 sticks of explosives, 7,604 feet of explosive wire, 1,961 fuses, 6,006 detonators, 16 walkie-talkies, one communication set, two engines, 2,531 kg of opium, 1,790.65 viss [1 viss equals 1.6 kg] of jade, kyat 47,185 in cash, one television set, one video set, two typewriters, one copying machine, 220 baskets of rice, and 40 viss of salt were seized.

During the battles, three officers and 24 soldiers from the Defense Services laid down their lives for the country and four officers and 52 soldiers were wounded.

Northeast Military Command: The people and the Defense Services mounted Operation Aung Hein Moe against the terrorist insurgents and 16 major battles and 116 minor battles were fought between 21 March 1992 and 20 March 1993.

On 15 April 1992, a military column which was carrying out a mopping-up operation clashed with about 50 SUA [Shan United Army] insurgents who were operating near Loikan village Tangyan Township. There were no casualties on our side. Three enemy bodies were recovered and two small arms and 20 huts were seized.

On 26 October 1992, a military column, acting on information received, raided Hkat Chanku village in Mansi Township and a clash ensued with about 30 KIA insurgents in the location—estimated at SO1765. There were no casualties on our side, but two enemy soldiers were captured alive and five enemy bodies and two small arms were recovered.

On 2 November 1992, a military column clashed with about 50 SUA insurgents during a mopping-up operation near Natma village in Lashio Township. The insurgents disbanded and fled toward the west. Seven enemy bodies and seven small arms, including one Browning automatic rifle, were recovered. One of our soldiers laid down his life for the country and four were wounded.

On 20 January 1993, a military column clashed with five KIA insurgents during a mopping-up operation near

Hpapan village in Lashio Township. There were no casualties on our side. The five insurgents were killed and four weapons were recovered from them.

On 26 January 1993, a military column clashed with about 50 SUA insurgents during a mopping-up operation near Loihsa village in Hsenwi Township. Four enemy bodies and two small arms were recovered and one of our soldiers laid down his life for the country.

During the major and minor battles fought in the Northeast Military Command between 21 March 1992 and 20 March 1993, 72 enemy bodies were recovered, 22 were captured and 26 surrendered and the following weapons were seized: 65 assorted weapons, including two Browning automatic rifles, 22 rounds of heavy weapon ammunition, 6,590 rounds of small arms ammunition, 58 magazines, 75 assorted mines, 13 hand grenades, three walkie-talkies, 252 sticks of explosives, 100 detonators, 20 fuses, 18 feet of explosive cable, 18.87349 kg of heroin, 451.5571 kg of opium, 20.11 tons of teak logs, 383 hard wood logs, 14 heads of cattle, 12.30 viss of jade, and 17 pieces of polished jade.

Two officers and 15 soldiers from the Defense Services laid down their lives for the country and three officers and 26 soldiers were wounded.

Eastern Military Command: The people and the Defense Services mounted Operation Kyaw Naing Soe and Operation Pyi Yan Aye, and 17 major battles and 355 minor battles were fought between 21 March 1992 and 20 March 1993.

Military columns, while carrying out military and local security work in Loi Mwe region in Keng Tung Township between May and July 1992, uncovered and seized 21 small arms hidden by the SUA.

On 1 September 1992, 400 insurgents from the KNU [Karen National Union] and KNPP [Karen National Progressive Party] attacked military camps in Hweponglaung region in the Eastern Military Command. Military columns from regiments under the Eastern Military Command mounted a counter offensive in Hweponglaung area from 13 September 1992 and 25 battles ensued. On 1 November 1992, Hweponglong and Dawtakhet mountain ranges were recaptured.

During the course of the battles 87 enemy bodies, 74 assorted weapons, 19,501 rounds of assorted ammunition, 278 rounds of heavy weapon ammunition, and 424 assorted mines were recovered. 15 members of our Defense Services, including an officer, laid down their lives for the country and 102, including two officers, were wounded.

On 28 September 1992, military columns under the Eastern Military Command mounted an offensive against the camps of KNU and KNPP insurgents in Sawhta region in Pasawng Township. Sawhta camp was captured on 6 October 1992 and point 1629 Hill on 18 October 1992.

During the course of the battles, 25 enemy bodies, 10 assorted weapons, one Toyota car, one bulldozer, one Honda motorcycle, one engine, one electric generator, and a large amount of sawn teak were recovered. Thirteen soldiers, including one officer, laid down their lives for the country and 77 soldiers, including one officer, were wounded.

On 2 November 1992, a military column clashed with about 30 SUA [Shan United Army] during a mopping-up operation near Nawngle village Langkho Township. Four enemy bodies and four small arms were recovered and one of our soldiers was wounded.

A total of 291 enemy bodies were recovered, 14 were captured, and 82 surrendered in the Eastern Military Command between 21 March 1992 and 20 March 1993. During the same period, 263 assorted weapons, 396 rounds of heavy weapon ammunition, 21,900 rounds of small arms ammunition, 298 magazines, 1,109 mines, 64 hand grenades, nine walkie-talkies, 500 sticks of explosives, 53 feet of explosive cable, 500 detonators, 58 kg of explosive powder, 12.5798 kg of heroin, 478.2404 kg of opium, 422 heads of cattle, nine mules, 124,014 kyat in cash, 893 old silver coins, 22.730 Thai baht, one television set, one video set, one typewriter, one Toyota, one bulldozer, one motorcycle, one engine, and one electric generator were seized.

A total of six officers and 119 soldiers from the Defense Services laid down their lives for the country and nine officers and 215 soldiers were wounded.

Radio Alleges BBC Distortion of Border Incident

*BK2203151793 Rangoon Radio Burma in Burmese
1330 GMT 22 Mar 93*

[Text] Sergeant Tha Sein of Plotaung Ward, Akyab Township; Private Thein Nyo of Payapaung Village, Kyauktaw Township; Pvt. Naing Tun of Sinchaseik Village, Mrauk U Township; and Pvt. Mya Maung of Kannaung Village, Myebon Township, who all belong to the Arakan Insurgent Organization, surrendered at Aung Thebye border immigration control outpost in Maungdaw Township, Western Military Command Region at 1730 on 20 March 1993. They brought along three AK-47 assault rifles, three magazines, and 700 rounds of AK-47 ammunition.

According to their disclosure, they left their camp in the country on the other side [Bangladesh] on 19 March and arrived at (Satalin) Village at 1930. They inquired about the way to Myanmar [Burma] and the location of the BDR [Bangladesh Rifles] camp with some villagers and continued their journey. The four of them fled when they were asked to identify themselves while passing near the BDR camp. As they fled from the camp in the dark, they mistook some people as enemies and started shooting with the arms they were carrying.

In the BBC news report at 0630 on 21 March, the incident was reported saying suspected Myanmar [Burmese] border patrol attacked a Bangladesh border village killing one and wounding five persons. Similarly, AIR [All India Radio] news at 1845 on 21 March carried a false report citing Myanmar Lonehtein [security] forces intruding into Bangladesh on a shooting spree killing one and wounding five villagers.

It has been reported by responsible personnel that there has never been any incursions into Bangladesh by either the Myanmar Defense Services or the security forces. The attacks by insurgents were deliberately concocted by foreign broadcasting stations as if they were carried out by the Myanmar Defense Services.

Deputy Foreign Minister Returns From Japan

BK2103081293 Rangoon Burma Television Network in Burmese 1330 GMT 20 Mar 93

[Text] Deputy Foreign Minister U Nyunt Swe, who visited Japan at the invitation of the Ministry of Foreign Affairs of the Japanese Government, returned to Yangon [Rangoon] by air. He was welcomed at the airport by directors general and responsible personnel from Ministry of Foreign Affairs; Mr. Tomoya Kawamura, Japanese ambassador; and responsible personnel from the Japanese Embassy.

During his stay in Japan, he met with (Mr. Kochi Kakizawa), deputy foreign minister for parliamentary affairs; (Mr. Konikiko Saito), deputy foreign minister; (Mr. Ichio Iizawa), deputy minister of international trade and industries; and responsible personnel. Talks centered around matters concerning the mutual benefit of the two countries.

Brunei, Malaysia & Singapore

Malaysia

Businessman Rejects U.S. Version of Incident

BK2403124393 Kuala Lumpur NEW STRAITS TIMES in English 23 Mar 93 p 3

[Text] Kuala Lumpur, Mon.—Perwaja Steel Managing Director Tan Sri Eric Chia today rejected the claim by the United States State Department that he was arrested for encroaching on a security area of the John F. Kennedy Airport in New York on March 2.

As a frequent traveller to the U.S., he said it was easy for him to distinguish an open public area and a departure hall which was accessible only to bona fide passengers.

"But the U.S. Embassy here has made it appear that I was trying to enter the departure hall. This is certainly not true," he added.

In a statement issued here to expose the inaccuracies in the U.S. portrayal of his ill-treatment, Chia said that "all

he wanted to do was to go into the public area where there were shops, a news stand, and a cafeteria."

"We wanted to have quick snack and I wanted to have my insulin injection (to control his diabetes)," he said, adding he knew the terminal well as he had been using it over the past 10 years.

Chia said the U.S. Embassy, which had issued two statements on the incident after consulting the State Department, failed to highlight that he was provoked by a British Airways (BA) security guard.

"While I was heading towards the entrance to the public area, the guard who is a Pakistani, kicked my trolley. All I did was to push him away to avoid further provocation," he said.

He added that he told the guard not to be silly which led to one of his colleague passing a remark "let's fix him."

Immediately after this one of the guards used the walkie talkie where the message "Immediate assistance required at BA terminal. Drunken man creating problems and also a suspected drug addict," was overheard by Chia.

This was followed by the airport police who did not bother to find out if there was any truth to the allegations.

Chia said he tried to tell the police officer that he was making a mistake but was warned that he might be charged with resisting arrest.

He also said it was wrong for the U.S. Embassy to say that he was locked up over night because it was too late to bring him to court.

"I was arrested at 7.15 pm on March 2, and when I was brought to court the next day, it was also at about 7.15 pm," he said.

"Why did they not charge me the same night when I was arrested? After all, I was charged at the same time the next day!"

Chia said that probably officers at the U.S. Embassy here did not know the court in New York normally closes at 1 am and resumes again at 9 am on every working day of the week.

He also said the U.S. Embassy's claim that the BA security guard was an 18-year-old was absurd.

"If he was really 18, then he was indeed a very overgrown 18-year-old kid," he said.

He reiterated that the New York Police did not bother to ascertain his identity or nationality and this was only done in court by the judge.

Chia said the move by the State Department to deny the truth was tantamount to indirectly condoning and encouraging the wrongdoing of the officers.

He hoped this was not the result of someone trying to suppress or bury the truth.

"Look at what happened to Rodney King (a black who was beaten while being arrested by police last year). First the police officers were acquitted of the charge of beating him up.

"The Federal Government had to intervene to bring a new charge against the police officers, but this came about only after Los Angeles was about to be burned to the ground."

Chia said that it certainly appears now that a mighty country like the United States is not interested to hear a voice from a developing country like Malaysia.

"But when they see an opportunity for business, they come running to try to sell their F-16 fighter jets."

Statistics Department Reports 1992 Trade Surplus

BK2503144393 Kuala Lumpur NEW STRAITS TIMES in English 24 Mar 93 p 12

[Text] A much higher growth in exports helped Malaysia to register a healthy trade surplus of RM1,782.5 million [Malaysian ringgit] in 1992, a sharp turnaround from the large deficit of RM6,334.4 million recorded in 1991, the Statistics Department said.

The surplus compares with the deficit of RM1,246 million estimated by the Treasury in its 1992/1993 Economic Report presented together with the 1993 Budget last October, the department said in its latest monthly external trade report.

Exports rose 9.5 percent or RM8,990.5 million, to top the RM100 billion level for the first time at RM103,487.1 million last year from RM94,496.6 million in 1991 while imports inched up 0.9 percent to RM101,704.6 million from RM100,831.1 million previously.

The marked increase in exports came mainly from a significant increase of 16.9 percent in the value of exports of machinery and transport equipment and miscellaneous manufactured articles.

These commodities accounted for about 64 percent of total export revenue. Commodities that recorded higher export revenues were thermionic valves, tubes and photocells, articles of apparel and clothing accessories, sawn timber, palm oil, plywood, petroleum products and coconut oil.

Thermionic valves, tubes and photocells remained the country's leading export earner, netting receipts of RM14,350.4 million and accounting for 13.9 percent of total export earnings.

"It must be noted, however, that this group has a high intrinsic import content," the department said.

Next came crude petroleum which, at RM9,146.9 million, accounted for 8.8 percent of total export revenue.

For the month of December alone, Malaysia registered a trade surplus of RM679.3 million, the eighth consecutive monthly surplus for the year, the department said.

It was 13 percent lower than the RM781.1 million surplus in November, 1992, but higher by 225.8 percent than the RM208.5 million recorded in December 1991.

Exports in December grew by 10.9 percent to RM9,658.1 million, almost double the rate for imports, which rose 5.6 percent to RM8,978.8 million.

Malaysia's major trading partners in 1992 were Japan, Singapore, the United States, Taiwan, Germany, Britain and South Korea. Trade with these countries amounted to 71.6 percent of the country's total trade.

The department said major buyers of Malaysia's goods in 1992 were Singapore (RM23,883.1 million), the US (RM19,272.7 million), Japan (RM13,748.6 million), Britain (RM4,175.1 million and Germany (RM4,154.6 million).

These countries collectively accounted for about 63 percent of the total export revenue.

Malaysia's imports came mainly from Japan (RM26,400.1 million), the US (RM16,090.3 million), Singapore (RM15,968.8 million), Taiwan (RM5,714.0 million) and Germany (RM4,288.7 million), which together accounted for 67 percent of total imports.

During the year, surpluses were recorded in trade with Singapore (RM7,914.4 million), the US (RM3,182.4 million), the Netherlands (RM1,665.6 million), Hong Kong (RM1,533.0 million) and Thailand (RM1,255.9 million).

Deficits were recorded in trade with Japan (RM12,651.5 million), Taiwan (RM2,486.9 million), Switzerland (RM1,210.9 million) and Australia (RM967.8 million).

Singapore

Thai Premier Gives Assurance on AFTA Support

BK2403121793 Singapore THE STRAITS TIMES in English 24 Mar 93 p 2

[By Salim Osman]

[Text] Thailand yesterday said it would push ahead with the Asean Free Trade Area (AFTA) and overcome resistance from certain Thai industries to the scheme.

Deputy Prime Minister Suphachai Phanitchaphak allayed fears that Thailand would be less supportive of AFTA under Prime Minister Chuan Likphai's government.

He said Mr. Chuan would encourage all Thai industries to be more efficient and help them make the adjustments so that AFTA's goal could be achieved before the 15-year deadline.

"We plan to follow the scheme through and iron out all our differences and to keep on going, if possible to

shorten the timeframe for tariff reduction," he said at a press conference to wrap up Mr. Chuan's three-day visit.

Mr. Chuan said Thailand and Singapore had pledged to continue to ensure the "effective realisation of AFTA" as part of the measures to strengthen bilateral economic ties.

ASEAN member states have agreed to reduce gradually the tariffs on products traded between them to no more than 5 per cent over 15 years from January this year.

On the Thai position on AFTA, Mr. Suphachai said that apart from Singapore, Thailand had taken a leading role to promote the scheme by submitting the lowest number of products to be excluded from tariff reduction.

He said the Chuan administration had asked the AFTA Technical Committee to evaluate customs standards and the origin of products before Thailand could consider speeding up its own tariff cuts.

Mr. Suphachai conceded that the AFTA scheme had met resistance from Thailand's palm oil and petrochemical industries, but he was quick to add that the government could overcome this.

At the conference, Mr. Chawarat Chawirakun, vice-chairman of the Federation of Thai Industries, said an agreement was reached at a round-table discussion with Singapore businessmen yesterday to try to speed up the creation of AFTA in 10 years instead of 15.

They agreed to set up a joint committee which would hold regular dialogues to promote economic ties and identify construction projects in third countries, including China and Indochina, he said.

Mr. Chuan, assisted by his two deputies and two ministers, fielded questions from journalists who asked about his talks with Singapore leaders, the situation in Cambodia and Thailand's policy towards Myanmar [Burma].

On Cambodia, Foreign Minister Prasong Sunsiri said there should be a review of the Cambodian peace process after the May presidential election.

On Myanmar, he said that Thailand maintained a policy of non-interference in the country's internal affairs.

Mr. Chuan yesterday toured the Port of Singapore Authority, visited the Housing Board and addressed Singapore business leaders at a luncheon. He also met Senior Minister Lee Kuan Yew. The Thai delegation leaves for Manila today.

Agency Eases Currency Internationalization Rules
BK2403105793 Singapore BUSINESS TIMES
in English 23 Mar 93 p 1

[Text] SINGAPORE—The Monetary Authority of Singapore [MAS] is relaxing its rules on the internationalisation of the local dollar on a case-by-case basis, a move which will benefit government-linked companies [GLCs] expanding in the region.

PT Batamindo Investment Corporation yesterday successfully raised its second Singapore-dollar loan for its \$600 million project in Batam. The corporation is a joint venture between Indonesia's giant Salim group and local groups Singapore Technologies Industrial Corporation (STIC) and Jurong Environmental Engineering (JEE).

The loan was also granted a further waiver not enjoyed by its earlier \$125 million five-year term loan done in March last year.

For the first time, the MAS allowed such a loan to be treated as an offshore rather than a domestic one, said Robert Tomlin, managing director of Schroder International Merchant Bankers Ltd, which arranged the facility.

This means the income from the \$70 million five-year loan will enjoy a tax concession of 10 per cent instead of the normal corporate rate of 31 per cent.

And because it is booked as an offshore loan, it is not subject to the \$70 million total lending limit imposed on foreign banks making S\$ [Singapore dollar] loans. The MAS raised the limit from \$50 million only last June.

Such an approval would give banks here more room to lend to Singapore firms.

The latest approval follows comments over the weekend by Finance Minister Richard Hu that the Singapore dollar will not become internationalised as a result of the government's push to get local business to invest and relocate overseas.

Dr Hu, however, added that a creeping internationalisation will develop as the Singapore economy develops an external wing in neighbouring countries.

The local financial community had hoped that, following Batamindo's first S\$ loan last year, the MAS would be more willing to approve local-dollar facilities for Growth Triangle projects which do not involve Singapore GLCs. Though their wishes have yet to materialise, the MAS said last June it would allow banks to lend offshore in S\$ if the loans were for economic activities benefiting the country.

A local banker said the MAS' readiness to grant waivers to S\$ offshore loans is important as companies expand in the Growth Triangle and in the region. However, he expects the MAS to continue to be cautious and initial companies to benefit from this flexibility would be the GLCs.

Mr Goh Song How, STIC's director of Riau projects, said yesterday that the \$70 million facility—a combined bridging and term loan—met with overwhelming response and was oversubscribed by 70 per cent.

Australian Satellite TV To Target ASEAN Audience

BK2503135993 Singapore THE STRAITS TIMES in English 25 Mar 93 p 23

[Text] Australia's month-old regional satellite TV service believes in "sensitivity but not censorship" when reporting on neighbouring countries, its top newsman has said.

"We don't run away from stories. On the other hand, we don't sensationalise," said Australia Television International's [ATVI] executive producer for news and current affairs, Mr. Prakash Mirchandani.

He is in Singapore as part of a tour of the region to publicise the new service, which can be picked up freely throughout ASEAN using satellite receiving dishes.

Singapore bans the use of such dishes at home. But ATVI is seeking a place on Singapore Cable Vision's subscription service, Mr. Mirchandani said.

Yesterday, he had initial discussions with Singapore Broadcasting Corporation [SBC] executives on exchanging news pictures and stories.

This could lead to ATVI stories being seen on SBC news bulletins, and vice versa.

The Australians may also buy stories produced by Inside Asia, SBC's new current affairs weekly. Some of them, he said, were as good as anything he had seen anywhere.

ATVI's eight-hour-a-day package includes a selection of Australian Broadcasting Corporation domestic programming, plus a one-hour news bulletin, at 9.30 pm Singapore time, custom-made for the region.

He said that ATVI aimed at balanced reporting.

"For every demonstration by people in favour of East Timor, we would seek a clarifying comment from perhaps (Indonesian Foreign Minister) Ali Alatas, or the Indonesian ambassador."

The Australian media has had run-ins with Indonesia, but more so with Malaysia. The Embassy drama series, which once soured relations between Malaysia and Australia would not be shown on ATVI he said.

He said he wanted to develop links with people who could become the station's "consciences" and give frank feedback.

"Not that it will totally change our perspective, but it will give us a balance," he said.

He added "We are not going to talk down to the region."

The main news bulletin has a segment previewing the next day's headlines from the regional press. This now covered newspapers from Hongkong, Indonesia and Thailand, and could eventually include THE STRAITS TIMES, Mr. Mirchandani said.

The news programme is rebroadcast after midnight on Australia's domestic TV to give Australians a better insight into the rest of Asia. The programme now out-rates the breakfast and lunchtime news bulletins, he said.

ATVI has news bureau in Jakarta, Bangkok, Manila, Hongkong, Tokyo, Beijing and Moscow, and will open one soon in Hanoi. It has a stringer—a non-staff contributor—in Singapore.

The service is transmitted from Darwin up to Indonesia's Palapa satellite and down to South-east Asia, Indochina, southern China, Hongkong and Taiwan.

Envoy: PRC To Cut Investment Risks

BK2503133993 Singapore THE STRAITS TIMES in English 25 Mar 93 p 2

[By Michelle Lee]

[Text] The Chinese embassy here will step up its programmes to highlight business opportunities and to minimise investment risks for Singaporeans doing business in China, its new ambassador Yang Wen Chang said yesterday.

It will provide a link between small and medium enterprises in the two countries, bring in more study and investment visits, and enlarge its resource library at the embassy in Dalvey Road for would-be investors.

"These measures will prevent Singapore businessmen from investing blindly and aimlessly in China," he said in Mandarin at his first press conference since taking over from his predecessor, Mr. Zhang Qing.

Mr. Yang, a career diplomat, took up his post earlier in the month.

Speaking at an hour-long press conference at the embassy, he said that one of the best ways to improve economic and trade ties was to beef up the embassy's information service, which was "not comprehensive enough at the moment".

There were now plans to gather more data on the investment climate in the various Chinese provinces and cities.

Singapore investors could then get the information either from the library or through other local bodies such as the Singapore Chinese Chamber of Commerce and Industry, which the embassy would be linking up with.

"The information will give them an idea what the current projects are and help them plan their investment in China—while they are still here in Singapore."

There were also talks to move the embassy to a larger site so that it could provide better services to Singaporeans, he said.

On business links, Mr. Yang, 48, explained that funding was the biggest problem facing China's rapidly flourishing township enterprises, which are mostly small and medium enterprises (SMEs).

To resolve this, they hoped to link up with Singapore firms which had the capital, he said, adding that a study mission from some of these firms had already been planned for May.

Singapore SMEs, on the other hand would benefit by knowing where the new areas for co-operation were "without even having to step out of the country".

On why some Singapore companies faced difficulties in China, he pointed out that they entered the Chinese market later than Hong Kong and Taiwan, and therefore lost out in their connections, or *guanxi* network.

He urged Singapore companies to venture into relatively new but potential areas along the upper and middle Yangtze River, such as Wuhan and Hubei, and in northern China, such as Shandong and Hebei.

"Singapore companies will find many investment projects in these areas," he said.

Cambodia

Deputy Premier Doubts Viability of Elections

BK2503012593 Bangkok BANGKOK POST in English
25 Mar 93 p 2

[Text] Phnom Penh—Phnom Penh Deputy Prime Minister Sar Kheng has expressed doubt that general elections can be held in Cambodia given the reality of present circumstances, [Thai] Interior Minister Chawalit Yongchaiyut said yesterday. But if elections are held under the prevailing circumstances, the opinion shared by Mr Sar Kheng and other Phnom Penh leaders is that they will not bring 100 per cent peace to Cambodia, General Chawalit said.

The United Nations Transitional Authority in Cambodia (UNTAC) is pushing ahead with plans to hold nationwide elections from May 23-27 despite continued reports of armed clashes between the rival Cambodian factions and politically-related violence.

Gen Chawalit spoke to reporters after holding talks with Phnom Penh Prime Minister Hun Sen, National Assembly Chairman Chea Sim, Deputy Premier Sar Kheng and National Security Minister Sin Song. The talks took place shortly after his arrival yesterday for a two-day visit.

According to Gen Chawalit, all four Phnom Penh leaders affirmed that they would abide by the Paris peace agreement which calls for general elections to be held in the country. But Mr Sar Kheng, who is concurrently Home Affairs Minister, said he personally found it hard to believe that general elections would take place given the reality of the daily situation, Gen Chawalit said.

The Phnom Penh leaders at the same time expressed interest in Gen Chawalit's proposal for the four rival Cambodian factions to set up a "joint development zone" and said they would raise it at the next meeting of

the Supreme National Council (SNC) of Cambodia. The proposal, first made public during a conference in Khon Kaen on Sunday, calls on the rival factions to allocate a safe zone for development even though they might continue armed clashes.

General Chawalit yesterday said the zone could be set up in a coastal area and serve as a springboard for foreign investment.

All four Phnom Penh leaders commended Gen Chawalit's visit as significant and encouraging to the Cambodian people. Gen Chawalit is well known to the rival Cambodian factions, having played a go-between role during the war. He reaffirmed that Thailand, as a neighbouring country, would continue trying to help Cambodia establish durable peace and solve outstanding problems.

Mr Hun Sen agreed in principle to allow Thai timber merchants export sawn timber, Gen Chawalit said. He reportedly said this could include exports from Khmer Rouge-held areas provided they set up checkpoints. Mr Hun Sen at the same time said logging concessions with Thai timber companies would be reactivated soon after Cambodia's newly-elected government is formed, Gen Chawalit added.

Thai logging companies have sought a relaxation of the ban on log exports from Cambodia which went into effect on January 1 and a number of them are reported to have defied the measure.

Gen Chawalit was expected to meet other Cambodian factions later yesterday. Today's talks are expected to centre on Thai-Cambodian border problems, including trafficking in weapons and cars.

Siem Reap 'Exodus' Draws SRV Concern

BK2503121293 Phnom Penh SPK in French 0357 GMT
25 Mar 93

[Text] Phnom Penh 25 Mar (SPK)—Hanoi on Wednesday said it was "very concerned" by information on the exodus of thousands of Vietnamese from Cambodia following the massacre of 33 Vietnamese fishermen two weeks ago, and has launched an "urgent appeal" for protection from UN forces.

"Vietnam is very concerned by this information," said a spokesman of the Foreign Ministry cited by AFP. "Once more, we launch an urgent appeal to the UN Transitional Authority in Cambodia [UNTAC] to take effective measures" to protect Vietnamese residents in Cambodia and "ensure them a stable life," the spokesman added.

A spokesman of the Cambodian Government in Phnom Penh said on Tuesday that Vietnamese fled the Siem Reap region in northwest Cambodia in large groups aboard 800 boats.

These vessels, some of which already passed Phnom Penh on Wednesday, according to the United Nations,

carry Vietnamese families before leaving the Tonle Sap Lake area, south of the touristic Siem Reap town near the Angkor temples, specified Khieu Kanharit.

Thirty-three Vietnamese and a Cambodian were killed and 29 others wounded near Siem Reap in the night of 10 and 11 March. The majority of the victims were fishermen living on a floating village on the Tonle Sap lake.

Kanharit numbers more than 100,000 Vietnamese living in Cambodia while the Cambodian guerrillas, to whom the massacre was attributed by the United Nations, say the number is over 2 millions.

Inflation Sparks 'Looting Rampage' by 'Irked' Troops

BK2503094493 Hong Kong AFP in English 0914 GMT 25 Mar 93

[Text] Phnom Penh, March 25 (AFP)—Around one hundred Phnom Penh Government soldiers, irked by recent prices increases, went on a looting rampage through Siem Reap market, UN spokesman Eric Falt said Thursday [25 March]. Two truckloads of armed soldiers arrived in the eastern market town Wednesday morning and, finding prices to be higher than usual, proceeded to take what they required without offering any payment, Falt said.

"Most of the products stolen were small items such as batteries, soap or shoes," he said, adding that many shop owners, especially gold and jewelry vendors, had fled the marketplace. Local police were called to the scene, but given the large number of armed looters were forced to call for military support. "The situation was under control very rapidly and the looting soldiers left the market after the reinforcements arrived," Falt said. "In total, 21 shop owners appear to have been robbed."

Markets throughout Cambodia closed down last weekend as the riel went into rapid depreciation. The currency, which had been trading at about 2,300 to the U.S. dollar, plummeted, falling to up to 6,000 in the city and, reportedly, 8,000 in Siem Reap. The situation has since stabilised but the riel is still trading at around 3,000, approximately 25 percent lower than last week. Inflation has fluctuated in tandem with the depreciation of the riel, wreaking havoc with the purchasing power of those on fixed salaries, such as soldiers who earn less than 10 dollars per month.

Phnom Penh spokesman Khieu Khannarith accused the Khmer Rouge and other opposition parties of manipulating the market for political ends. The UN, however, were still puzzled by the sharp depreciation in the riel.

"We still have no rational explanation to the sudden increase of the riel at the end of last week," Falt said.

Following the looting spree in Siem Reap, UN peacekeepers are to increase the number of patrols there and ask the Phnom Penh authorities to post more soldiers in the market, Falt said. "We are also going to ask the

Cambodian People's Armed Forces commander to identify the culprits and bring them to justice," he said.

FUNCINPEC To Establish Courts, Jail

BK2403072093 Hong Kong AFP in English 0604 GMT 24 Mar 93

[Excerpt] Ampil, Cambodia, March 24 (AFP)—The head of Cambodia's main opposition party, FUNCINPEC, has assured the United Nations that he will set up courts and a jail in this area under his control to replace the current summary justice system which executes offenders on the spot.

Prince Norodom Ranariddh, whose faction is loyal to his father Prince Norodom Sihanouk and fought in the civil war against Phnom Penh from this small border enclave in northwest Cambodia, made the promise in a meeting with U.N. Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi on Tuesday.

The absence of fair trials for people accused of crimes was a primary concern for UNTAC officials, who had constant reports of suspects being executed without trial.

The four Cambodian factions had agreed to a U.N.-drafted penal code last year, but three of the four, lacking even rudimentary courts, have no way to put it into practice.

"The most major human rights matter of concern is the summary execution of suspected criminal offenders," said Mark Plunkett, the UNTAC special prosecutor and former human rights officer in the zone.

The head of UNTAC's human rights component, Dennis McNamara, welcomed the promise but cautioned that military suspects must be tried by the court as well as civilians.

"They're just taken away and killed and buried in the jungle, but it doesn't happen very often because (criminals) are rarely caught," said UNTAC military observer Lieutenant Colonel Matt Sample, citing about two serious crimes per month.

While Prince Ranariddh said a court would be established by the end of the month with Cambodian judges trained by the United Nations, he was non-committal about building the jail.

He said FUNCINPEC officials were prepared to build a jail made of wood, but that UNTAC was insisting it be made of concrete.

The money to build the jail was a concern as well, with FUNCINPEC's military officials admitting that they had no more money to pay soldiers after the end of the month, while the political wing had just constructed a brand new 1200 meter (yard) airstrip here and had ordered equipment for a television station. [passage omitted]

Chea Sim Visits Kong Pisei District 23 March

*BK2403080693 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
24 Mar 93*

[Text] His Excellency [H.E.] Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee and National Assembly of the State of Cambodia [SOC], visited Kong Pisei district in Kompong Speu province on 23 March. At a meeting with the local authorities, Buddhist monks, and villagers, H.E. Chea Sim praised them for their efforts in the achievement of the nation's social gains and in the consolidation of their localities. He said for more than 14 years, the CPP and the SOC government have made all kinds of sacrifices in order to bring about a genuine peace for the people and promote the socioeconomic development so as to improve the people's livelihood and elevate the nation's image.

Commenting on the implementation of the Paris peace accord, H.E. Chea Sim denounced the Khmer Rouge for their continuous criminal acts aimed at massacring innocent people, destroying social gains, and hindering the peace process in Cambodia. He stressed that the CPP and the SOC government have closely cooperated with UNTAC and the international community in the implementation of the Paris accord in order to reach the final stage, that is the May legislative elections.

Laos

Presidential Decree Implements National Assembly Law

*BK2503032293 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 25 Mar 93*

["Full content" of President Nouhak Phoumsavan's Decree "on the announcement and enforcement of the Law on the National Assembly"—dated 23 March]

[Text] In accordance with Article 53, Item 1, of the Constitution of the Lao People's Democratic Republic [LPDR], and the Resolution No. 005/NA dated 25 February 1993 adopted by the inaugural meeting of the Third National Assembly on the endorsement of the Law on the National Assembly, the LPDR president hereby issues a decree: Article 1: Announcing the enforcement of the Law on the National Assembly.

Article 2: This decree is effective as of the date of signing.

Rallies Mark 38th Party Anniversary

*BK2403040893 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 24 Mar 93*

[Text] On 22 March, party organizations in various provinces organized activities and rallies to commemorate the 38th founding anniversary of the Lao People's Revolutionary Party [LPRP] in an atmosphere of profound significance.

The rallies took place in various localities such as in the Provinces of Savannakhet, Khammouane, and Xieng Khouang; the provincial military commands of the Provinces of Vientiane and Bolikhamsai; and the military command of Houai Sai District, Bokeo Province. Party members, veteran revolutionaries, and representatives of respective localities actively participated in these events.

At the gatherings, personalities in charge of party organizations of each province, pointed to the leadership role of the LPRP over the past 38 years—the party which led the Army and the Lao multiethnic people to the cause of national liberation in the past as well as the struggle for the defending and developing of the country at present. On these occasions, people in each locality attentively studied the model activities and qualifications of the deceased former President Kaysone Phomvihane, who greatly contributed to the real essence of the revolution with his policy of consistent honesty with the country and its people. The president truly deserves the commendation as the hero of the nation and the hero of the era.

PRC Delegation Holds Talks, Signs Memorandum

*BK2503080393 Vientiane Vitthayou Hengsat Radio
Network in Lao 1200 GMT 24 Mar 93*

[Text] On 22 March, Mai-en Inseng, secretary of the provincial party committee and governor of Phong Saly Province, and (Shen Jifen), secretary of the party committee of Xishuang Banna region, Yunnan Province, the PRC, signed a memorandum of discussion between the two delegations on the occasion of the Chinese delegation's visit. The memorandum contains minutes of the two delegation's consultative meeting on issues such as strengthening and developing their relations of friendship, socioeconomic development cooperation, and national defense and peacekeeping operations along their common border. All this is aimed at facilitating cross-border visits by the Lao and Chinese people living in the area so they will abide by the rules and regulations.

PRC Subprovince Signs Medical Agreement

*BK2503095393 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 25 Mar 93*

[Text] Public health authorities of Bokeo Province and Xumao Subprovince of the PRC recently signed an agreement on cooperation in medical treatment with herbal medicines.

Representing the Lao side at the signing ceremony was Dr. Khamsing Saisongkham, head of the public health service of Bokeo Province, while the Xumao team was represented by (Zhen Gonglin), deputy director of the Xumao subprovincial hospital.

Bokeo and Xumao agreed to cooperate with each other in setting up a medical treatment center with use of all herbal medicines. Xumao will help train medical cadres

for the Lao side. Furthermore, the Chinese sub-province also accepted responsibility for building a unit for distribution of herbal medicines and medical equipment for use in treatment. Bokeo will render cooperation in providing units for medical services, distribution of medicines, and patient's quarters.

The agreement was signed after a consultative meeting between the two sides during the visit to Bokeo Province from 21-22 March by the public health delegation of the PRC's Xumao Subprovince.

Philippines

Reportage on Visit of Thai Premier Chuan

Chuan: Energy, Crime Worry Investors

HK2503014093 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 24 Mar 93

[Text] Thai Prime Minister Chuan Likphai has said that Thai businessmen are interested in investing in the Philippines; however, they are concerned about the country's growing problems in the areas of energy and crime. Chuan said it is up to the Philippine Government and private sector to ensure the success of potential Thai investments in the country. The Thai prime minister is currently in the country for a three-day state visit. According to Press Secretary Rodolfo Reyes, President Ramos received several pledges for investments by Thai businessmen during his trip to Thailand last December.

Chuan Meets Ramos 24 Mar

BK2503111793 Bangkok Radio Thailand Network in Thai 0000 GMT 25 Mar 93

[Text] According to a report from [Thai] Public Relations Department correspondent Chintana Choichumphot on the prime minister's activities during his visit to the Philippines, Chuan Likphai and Philippine President Fidel Ramos headed delegations of the two countries in a joint meeting at the presidential palace yesterday afternoon.

Speaking to reporters about the meeting, Aphisit Wetchachiwa, spokesman of the Prime Minister's Office, said that both sides agreed to further expand bilateral trade cooperation and joint ventures in different areas, including food processing and energy industries as well as triangle cooperation among ASEAN member countries in communications, tourism, fishery, and banking.

Touching on Cambodia and Burma, the Thai side informed the meeting that the situation in Cambodia has been closely observed. Meanwhile, Thailand's policy toward Burma remains unchanged and it is hoped that Burma will undergo more political and economic changes. Burma should not, however, be isolated. Thailand must act as a go-between for Burma and other countries so that Burma can see the significance of political reform. However, Thailand reaffirmed that it

would hold consultations with friendly countries before implementing any policy and closely watch the situation in Cambodia after the general election. Thailand and the other ASEAN members will have to work together to find a solution to the Cambodian problem.

Prime Minister Chuan Likphai and his delegation attended a dinner reception at the presidential palace where he received the Philippines' (Sikatuna) decoration from President Fidel Ramos. The leaders of the two countries also exchanged souvenirs before the Philippine president delivered a speech and proposed a toast to the health of his majesty the king.

In his speech, Prime Minister Chuan Likphai gave thanks for the hospitality and reception and the decoration accorded to him during the visit. The prime minister wanted the two countries to make serious efforts to promote bilateral trade cooperation, stressing that the two countries must ensure that all related policies be thoroughly implemented. He noted that the two countries have been through similar experiences in their effort to achieve genuine democracy and will continue to develop democracy despite numerous problems and obstacles. He believes that the two countries will be able to build up their strength and show the world community their continuous efforts to develop democracy.

At 0825 local time today, Prime Minister Chuan Likphai will lay a wreath at President Rizal's monument and meet with the speaker of the House of Representatives of the Philippines before visiting the Asian Development Bank. The prime minister will receive Thai residents in the Philippines at the Thai Embassy in Manila. The University of the Philippines will also present an honorary doctorate degree in law to the Thai prime minister.

Ramos Welcomes Chuan, Urges Cooperation

HK2503022293 Manila Far East Broadcasting Company in Tagalog 0100 GMT 25 Mar 93

[Text] President Ramos called for greater cooperation between neighboring Asian countries in maintaining stability and security within the region. The call was made by the president during a welcome banquet held in honor of visiting Thai Prime Minister Chuan Likphai at Malacanang. Likphai arrived yesterday from Bangkok for a three-day official state visit.

Chuan Calls for Increased Trade

BK2503013193 Bangkok BANGKOK POST in English 25 Mar 93 p 3

[Text] Prime Minister Chuan Likphai has called on Thailand and the Philippines to adopt firm measures to achieve their common goal to double bilateral trade in three to five years. This aim was set during the visit to Thailand of Philippine President Fidel Ramos last December.

The Premier's call was made in an address delivered at a banquet hosted for him last night at the Malacanang presidential palace by President Ramos.

Mr Chuan and his official delegation arrived in Manila from Singapore yesterday afternoon to begin a three-day official visit on the second leg of a two-nation regional tour.

"We all know that trade between our two countries is quite small. This is the reason why we agreed back in January during the president's visit that we would try to double the volume of bilateral trade over three to five years," said Mr Chuan who personally led the Thai delegation in high-level talks with President Ramos immediately after his arrival yesterday.

The Premier said the "fruitful discussions" showed that concrete steps must be agreed on and taken if the target is to be achieved.

"Agreements must not be allowed to remain idle. They must be actively implemented," he said, while calling for any difficult issue to be resolved on a constructive basis.

Mr Chuan also expressed satisfaction about an agreement between the two countries to promote tourism.

More contact between people of the two countries should enhance trade "since mutual trust and understanding provide an invaluable basis for greater economic activities," he said.

The Premier in his address also expressed optimism about future prospects of the two countries.

"Although our political institutions are different, we follow the same path of democracy. We have been through turbulent periods in our respective histories. Our democracy is hard fought and hard won. We have made sacrifices. And as politicians we still have much to do to fulfill the aspirations of the people."

He said, however, the democratisation process is not easy since people have high expectations of their elected representatives. While "problems cannot usually be solved overnight, ills cannot be cured instantly and economic woes will not disappear by wishful thinking.

"I truly believe that it is incumbent on the elected representatives to solve difficult issues through a democratic process, not in an arbitrary manner. But to do that successfully, one needs understanding and support of the people. This is especially true if one wants to cure the deep-rooted ills of society," he said.

The Premier noted that Thailand and the Philippines could gain strength from one another's determination and perseverance.

Tourism Agreement Signed

HK2503032093 *Quezon City MALAYA in English*
25 Mar 93 p 3

[Text] The Philippines and Thailand signed yesterday a Tourism Cooperation Agreement [TCA] which is expected to bolster the country's drive for a bigger share of the \$230 billion world tourist trade. The industry is expected to more than double by the year 2000. The agreement was signed by

Secretary of Tourism Vicente J. Carlos and Thai Deputy Prime Minister Amnuay Viravan.

The TCA will allow for a joint promotion of Philippine and Thai tourist destination.

"We expect to take advantage of Thailand's current tourist boom and hope to expand our present share in ASEAN visitor arrivals," Carlos said.

For 1993, the DOT [Department of Tourism] is expecting 1.5 million arrivals, from which gross revenue of P61.5 billion [Philippine pesos] is expected to be raised.

The agreement emphasized the "role of tourism as a positive instrument towards the improvement of the quality of life for all peoples as well as a vital force in promoting peace and international understanding."

Tourism, which is a national priority as a growth industry, is considered a "factor of economic development."

Under the RP [Republic of the Philippines]-Thai TCA, the two countries will also share information on market, statistics and tourism legislation, including information with regard to the conservation and restoration of tourist attractions.

The adoption of uniform tourism standards and practice to facilitate international tourism was also agreed. The TCA will enhance existing ASEAN tourism programs and activities already in place.

Emergency Powers Said To Benefit Ramos Party

HK2503030393 *Manila MANILA STANDARD*
in English 25 Mar 93 p 9

[From the "Straight From the Shoulder" column by Louie Beltran]

[Excerpt] Since President Ramos took office, he has been telling everyone that the energy crisis will be over by September this year.

He has even made some optimistic predictions that the blackouts may be eradicated or at least reduced to shorter periods because the fast-track projects (for which he has been praising Corazon Aquino) will be operational by next month.

So, how come President Ramos—in the administration bill to be submitted to Congress this year—is asking for two years (i.e., up to March 1995, shortly before the campaign period for the local elections) in which to solve the energy crisis?

If the President knew all along what he was talking about, and was telling the truth all along to all the foreign investors he met in his past five state visits, the energy crisis would be over by September, 1993.

So, what crisis does he propose to solve with emergency powers till the election campaign period in 1995?

There are some interesting provisions in the so-called Emergency Powers Act proposed to Congress—which could vastly help Lakas-NUCD [National Union of Christian Democrats] candidates in the 1995 elections—if Congress makes the powers, excuse us, measures, effective till that election year.

For one thing, all Commission on Audit rules and regulations would be suspended for energy projects—including those undertaken right up to Election Day.

Civil service regulations will also be suspended, meaning that Lakas officials can pack their payrolls with political proteges as long as they are employed in “energy-related” projects.

The projected duration of the “emergency” suggests that the Ramos administration already is planning for the next elections and is willing to use emergency, uh, measures to make its candidates win.

Incidentally, the bulk of the contracts for pump-priming the economy for this year will be in infrastructure projects, which are already being called “energy-related.”

What the administration is asking Congress to do, in effect, is to give its absolute trust that the government will spend the money with integrity. By agreeing to such a law, the senators and congressmen themselves will be removing all the constitutional safeguards against graft and corruption.

It will be the litmus test for the Ramos government and the President himself, because the trust is being given to him directly and personally. If it fails, it will be his personal liability.

Thailand

Editorial Calls for End to Coalition In-Fighting

BK2503014593 Bangkok BANGKOK POST in English
25 Mar 93 p 4

[Editorial: “In-fighting puts brake on progress”]

[Text] Air Force Commander-in-Chief ACM [Air Chief Marshal] Kan Pimanthip could not have been more forthright and correct when he suggested the other day that members of the coalition parties should stop fighting among themselves and concentrate instead on working for the good of the country. Many of us who held the so-called “angelic” parties in such high regard six months ago and who are now watching in dismay the seemingly endless intra-party bickerings would readily agree with ACM Kan.

Not even the coalition partners themselves expected a completely smooth ride because of their bitter rivalry during the election campaign. At the very least it had been hoped that the five coalition parties would set aside—if not totally forget—their old antagonisms when they agreed to take charge of the country's affairs. What

we have witnessed from the outset has been more than we can accept because some members of parties making up the coalition have seemed to spend more energy plotting and counter-plotting against each another than they have on statecraft. It appears that reluctance to look beyond narrow party interests has totally blinded their vision and distorted their views of the purpose of government and its responsibility towards the people.

The latest conflict to drive a wedge between the Phalang Tham [PDP] and Democrat parties stemmed from the appointment of Prachakon Thai Party leader Samak Suntharawat as chairman of the House Communications Affairs Committee. The loss of the seat was due to the absence of a Democrat from a crucial meeting of the House committee which gave the Opposition an upper hand in the vote for the chairmanship. Mr Samak's choice for the chairmanship had been resisted by the PDP from the beginning because he would definitely put Communications Minister Winai Somphong, a PDP member, in great difficulty.

Despite a lame apology and a promise to investigate the matter from Prime Minister Chuan Likhai, Democrat Party leader, the PDP appeared to be unsatisfied and felt it had not been fairly treated by the Democrats. Some PDP members also suspected that the absence of the Democrat MP from the crucial House committee meeting reportedly on the grounds that he was held up in a blizzard in the United States might have been premeditated. This has yet to be verified.

What is more disturbing and discouraging is not the noisy bickerings themselves, but the way the problem has been handled by the Prime Minister. His style of staying aloof and of allowing the problem to settle itself has opened up old wounds and further fuelled mutual distrust. Like the head of a family who must step in to mediate a feud between members of the family to restore peace, the Prime Minister, as head of the Government, is supposed to do likewise—if he genuinely intends to keep his coalition alliance together.

A call for unity alone by Prime Minister Chuan will not be sufficient to solve the problem and put to rest the mutual distrust. What is badly needed is the courage to face the problem directly and to sort out whatever conflicts remain among leaders of the coalition parties in a heart-to-heart manner. And this is an important quality of good leadership which seems to be elusive among our government leaders these days.

The Government will celebrate its first six months in office this coming April and will detail its performance and achievements in a special TV show. But one wonders what the Prime Minister can proudly claim his Government's achievements to be when he has not even succeeded in putting his house in order in the first place.

It is, indeed, a great disappointment that the valuable opportunity offered has not been utilised to the maximum by the Government for the completion of its stated goals and objectives. And that so much time has

been unnecessarily wasted in what one Democrat MP cynically quipped as "fighting like stray dogs."

Loggers in Burma To Bid for Concessions

*BK2503010393 Bangkok THE NATION in English
25 Mar 93 p B2*

[Text] Thai logging companies in Burma will join forces to form a federation to negotiate with the Rangoon government which is reportedly planning to terminate all logging concessions granted to Thai companies at the end of the year.

According to a source in the Ministry of Foreign Affairs, Burmese Forestry Minister General Chit Swe sent a letter saying that the Rangoon government will terminate all Thai-Burmese logging concessions along the border by the end of the year.

The Burmese authorities cited the deteriorating condition of the Burmese forest through indiscriminate logging.

The Burmese government earlier held talks with the Thai ambassador to Rangoon on why the concession agreements were to be terminated.

The Burmese argued that by granting logging concessions it would earn foreign exchange but at the same time the forest would also be destroyed.

However Burma, which feels it must protect its own best interests, sees the precarious state of its forests.

Thai private investors, instead of operating by themselves, sub-contract to third parties who cut any trees within the concessionary areas and heavily damage the forests.

General Swe had earlier warned the Thai operators of their indiscriminate logging, saying that Burmese forests also formed the major water sources for Thailand's northern region.

According to the source, the Rangoon government also suspects that Thai investors falsified log export figures allegedly by a third, in order to pay less tax.

The Burmese government also raised the issue of minority insurgencies along the borders, saying that it would reconsider the logging issue only after Thailand helps to solve the border problem.

According to the same source, Foreign Affairs Ministry's Deputy Permanent Secretary Pratyathawi Thawethikun has already informed the Permanent Secretary of Interior Ministry.

Everyone had known for quite some time that the Burmese government was planning to terminate the logging concessions, since the Burmese government prefers direct foreign investment to log exports, said the source.

The Thai government should consider the new Burmese policy to find solutions to this problem.

Leaders of both the Thai and Burmese governments should talk to each other and Thailand should be able to show the Burmese government that Thais are sincere enough, commented the source.

Col MR Adundet Chakkrapan, managing director of the Forest Industry Organization (FIO), said after the meeting with the private investors who have logging business both in Burma and abroad that the meeting agreed to set up the federation of loggers of Thailand, chaired by himself.

According to Karin Thongphatchachot chairman of ONK Mining and Construction Co, the establishment of the group with the FIO as one of the members would be a major bargaining instrument for Thai investors.

Among the 26 member federation are Union Par Co, Thai Teakwood Veneer Co, and Mae Sod Forestry Co.

As an exporter, Karin said that Thai investors' opportunities in Burma are inferior to those in South Korea, Taiwan and Singapore since they have already established sawmills within Burma.

According to Karin, the federation will directly negotiate with the Burmese government.

After signing the contract, the federation will give the concessionary areas to those already logging at the same prices.

Private investors expect to ask for new concessions after the Burmese termination of current concession at the end of this year.

Deputy Agriculture Minister Suthep Thuaksuban, also in charge of the Forestry Department, however, believed that the conflict over the Burmese concessions could be solved.

According to Suthep, the Burmese government still needs to sell its oversupply of logs and the nearest market is Thailand.

Everything should work well due to the existing supply and demand.

Yet, it will be impossible for Thailand to assist Burma in its conflict with minorities along the Thai-Burmese border, commented Suthep.

Thailand, however, would be willing to help Burma to take care of its forests. According to Suthep, the Burmese forests are still in good shape since following the logging, there are not many settlers, as often happened in Thailand.

According to Suthep, as Agriculture Minister, he would propose to the Burmese government, as a part of the solution, that the FIO be the only concessionaire to operate the logging business.

The concession would later be allocated to the proper private investors chosen only by FIO.

The organization would also supervise the business of reforestation after the completion of the logging concession, said Suthep.

Army Commander Receives Chinese Military Attache

BK2403143093 Bangkok Army Television Channel 5 in Thai 1200 GMT 24 Mar 93

[Text] Army Commander in Chief General Wimon Wongwanit received Major General (Chu Jiang), PRC military attache, who paid him a courtesy visit today. They talked about the change in military leadership in China. The Chinese military attache stressed to Gen. Wimon that the military reshuffle in China would have no effect on relations between Thailand and China.

After the meeting, the army commander talked to newsmen about recent bomb explosions in the south. He said the incidents were motivated by personal conflicts, and had nothing to do with politics. He said the Army always stands ready to support the government in cracking down on firearms.

Army Chief Admits Spada Missiles Malfunctioned

BK2403100993 Bangkok Army Television Channel 5 in Thai 1200 GMT 23 Mar 93

[Text] The Army has admitted that there are problems with the Spada missiles. Army Commander General Wimon Wongwanit explained that the faulty parts do not involve the firing launchers as have been the concern of some. Rather, they are the target-searching radar systems, which are too complicated to be repaired. He said the parts have been sent to the manufacturer. Gen. Wimon stated that the problem will positively not affect national defense operations.

[Begin Wimon recording] The weapons are all right, but only some parts have malfunctioned. It is quite complicated to repair them, and we cannot do it ourselves. So, they have been sent abroad.

[Question indistinct]

[Wimon] It is not the missiles which have problems, but the target-searching radar systems. [end recording]

Talking about the prime minister's coming visit to the Army Headquarters on 31 March, the Army chief said the Army is ready to provide him with reports on operations and will also inform him about problems, if there are any.

Vietnam

SAIGON GIAI PHONG: Ho Chi Minh City Unrest Quelled

BK2503135093 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 25 Mar 93

[From the Press Review]

[Text] SAIGON GIAI PHONG paper today frontpages an article titled: "Firmly Maintaining Peaceful Life," saying that recently the people coordinated closely with the Public Security Force in Ho Chi Minh City to promptly discover and effectively foil schemes of the reactionary group. This is the achievement of the Public Security Force and people in the city. It is its great contribution to maintaining political stability and the people's peaceful life.

This event once again testifies to the fact that whenever our people are determined to protect their peaceful life and strive to strengthen unity and cooperate with the Public Security Force, we can foil all schemes and sabotage activities of the reactionary forces.

The article says further: Adhering to our chosen path, we are determined to defend our national independence and sovereignty and will resolutely protect our people's peaceful life. As a result, we will not allow any reactionary forces to undermine the developmental pace of the city and the country as a whole.

People of Ho Chi Minh City will continue to strengthen unity and closely coordinate with the Public Security Force to provide a better protection to our people's peaceful life while opening wide our doors to welcome friends and honest businessmen from abroad. The people's extraordinary characteristics and incredible efforts will never yield to any wicked schemes.

Embassy: Khmer Rouge Kill Vietnamese in Cambodia

BK2403143193 Hanoi VNA in English 1423 GMT 24 Mar 93

[Text] Hanoi VNA March 24—The Vietnamese Embassy in Phnom Penh has denounced and condemned the Khmer [KR] Rouge for killing three more Vietnamese fishermen in Cambodia.

This was stated in a March 23, 1993 note of the Vietnamese Embassy in Phnom Penh addressed to the Supreme National Council (SNC) of Cambodia, the UN Transitional Authority (UNTAC) and the Foreign Ministry of the State Of Cambodia.

The note said: 'Vietnamese residents in Kompong Luong District, Pursat Province, informed the Vietnamese consulate in Battambang of an incident that on March 3, three boats of the Khmer Rouge fired B40 rockets and DK big guns at a boat of Vietnamese residents in Kompong Luong while it was fishing at the cross-border section of three provinces of Pursat, Kompong Chhnang and Kompong Thom, killing three Vietnamese fishermen and wounding another. The attacking force took away all the property on the fishing boat and demanded that the remaining fishermen pay 10 taels of gold for the return of their fishing gears. The three dead victims were buried by their countrymen in Kompong Luong.

'The Association of Vietnamese Residents in Pursat Province also informed of reconnaissance activities of the Khmer Rouge force in Chong Tung (Battambang) and Kompong Luong (Pursat) from March 12-15, and of the possibility of their new massacres. [no closing quotation mark as received]

The Vietnamese Embassy energetically condemned the Khmer Rouge's acts, and earnestly urged SNC, UNTAC and the State of Cambodia to take urgent, strong and effective measures to immediately stop the recurrence of the Khmer Rouge's savage acts.

The March 10 massacre of 33 Vietnamese residents in Siem Reap by the Khmer Rouge continued to rouse strong condemnation by different segments of the Vietnamese population. A mass meeting to condemn the Khmer Rouge's crimes was held yesterday in the Mekong River Delta Province of Can Tho.

Radio Condemns Incident

*BK2503141393 Hanoi Voice of Vietnam in English
1000 GMT 5 Mar 93*

[Station commentary]

[Text] Another three Vietnamese fishermen in Cambodia have been killed by the Khmer Rouge. It is yet another tragic act of the Khmer Rouge against Vietnamese nationals after the killing of 33 Vietnamese residents in Siem Reap Province early this month.

The Vietnamese Embassy in Phnom Penh has sent a note to all factions of the Cambodian administration, including the United Nations Transitional Authority in Cambodia [UNTAC], denouncing and condemning the Khmer Rouge for killing these three fishermen in Pursat Province in Cambodia.

The note said: Vietnamese residents in Kompong Luong District, Pursat Province, informed that three boats of the Khmer Rouge fired rockets and big guns at a boat of Vietnamese residents in Kompong Luong while it was fishing. The attack occurred at the cross-border section of three provinces of Pursat, Kompong Chhnang, and Kompong Thom. The attacking force took away all the property on the fishing boat and demanded that the remaining fishermen pay 10 taels of gold for the return of their fishing gear.

The Association of Vietnamese Residents in Pursat Province has taken note of reconnaissance activities of the Khmer Rouge force in Chong Tung in Battambang Province, at [word indistinct] in Pursat Province from March 12-15. It also hinted at the possibility of the Khmer Rouge's new massacre.

The Vietnamese Embassy energetically condemned the Khmer Rouge's act and earnestly urged the SNC [Supreme National Council], UNTAC, and the State of Cambodia to take urgent, strong, and effective measures to immediately stop the recurrence of the Khmer Rouge's savage act.

There is now extreme concern at the developing situation in Cambodia. Representatives of four mass organizations in Cambodia have called on UNTAC and the four Cambodian factions protect the life of [word indistinct] fishermen. They urged all Cambodian political parties not to take the issue of the Vietnamese residents in Cambodia as an incitement against Vietnam because it runs counter to the long-term interest of Cambodia.

Meanwhile, Thai Foreign Minister Prasong maintained that Thailand and other countries in Southeast Asia are worried that the political conflict in Cambodia might be continued in Cambodia after the general elections to be held in May, and when UNTAC withdraws from Cambodia who will be the real authorities in Cambodia? The Thai foreign minister was speaking at the press conference in Singapore on Tuesday [23 March].

Vo Van Kiet's Japan Visit 'Landmark'

*BK2403130893 Hanoi Voice of Vietnam in English
1000 GMT 24 Mar 93*

[Station commentary]

[Text] Vietnamese Premier Vo Van Kiet began his five-day visit to Japan on Wednesday at the invitation of the Japanese Government. Following is our radio editor's comment:

Vietnam and Japan are two Asian countries geographically close to each other and sharing many cultural similarities. They have a common goal to promote relations with regional countries for peace and stability in the Asia-Pacific region.

Stemming from this objective, the two countries have further tightened Vietnam-Japan relations on the basis of equality and mutual interests.

Exchanges of visits have been made between the foreign ministers and senior officials. More particularly, Japanese businessmen and politicians have expressed their readiness to cooperate and support Vietnam in its economic development. Japanese businessmen have paid special attention to investment in Vietnam and many projects have been developed. Japan's decision to review its development aid to Vietnam in late 1992 after 14 years is significant. Among other things, it is an impetus for Japanese businessmen to invest in Vietnam.

Premier Vo Van Kiet's visit this week is the first official visit of the Vietnamese premier to Japan. And this will be an important landmark in the relations between the two countries, ushering in a new page of Vietnam-Japan relations.

Japanese Envoy Discusses Relations

*BK2403134793 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 23 Mar 93*

[INTERNATIONAL RELATIONS interview with Japanese ambassador to Vietnam Hiroyuki Yushita; read by announcer—date not given]

[Summary] Dear friends, on the occasion of Prime Minister Vo Van Kiet paying an official friendly visit to Japan, we would like to present you the following interview with Japanese Ambassador to Vietnam Hiroyuki Yushita conducted by the INTERNATIONAL RELATIONS correspondent.

[Correspondent] Your Excellency, would you please comment on the nature and potential of Japan-Vietnam bilateral relations in 1993 and the ensuing years?

[Yushita] "I believe that 1993 is the year in which concrete developments will be achieved in Japan-Vietnam bilateral relations, which have been officially established since 1992. At present, Japan wants to cooperate with and help Vietnam develop its economy and stabilize and improve its people's daily life. Moreover, Japan wants to expand relations with Vietnam in the political, cultural, sports, and social domains in addition to cooperation in the fields of trade, business, private investment, exploitation of the intelligentsia, and promotion of the market economy. While development in Japan-Vietnam bilateral relations is essential, I think that the two countries' efforts in promoting international relations will benefit both nations. I would like to say that the scale and developmental pace in the relations between the two nations depends chiefly on common efforts by both sides. Japan and Vietnam must strive to enhance their mutual understanding. In reality, mutual sympathy and understanding between the two peoples in the material and cultural life was not profound while information related to economic joint ventures in Vietnam were insufficient. Efforts to quickly overcome these shortcomings are important factors that will help develop our bilateral relations."

[Correspondent] What are Japanese businessmen's assessments of the prospects and scale of investment in Vietnam?

[Yushita] "Japanese investors attach much importance to investing in Vietnam. They contended that Vietnam has many favorable conditions attracting investment such as abundant natural resources, a great and diligent work force, and cheap labor. As a result, prospects for long-term economic cooperation and development are very bright. However, at present, there are no large-scale Japanese investment projects in Vietnam except the exploitation of oil and natural gas. There are many factors to this setback, but the main ones are unsatisfactory preparations for investment and the lack of accurate economic information on foreign investment in the country. I believe that, with its efforts to overcome these shortcomings and drawing on experiences from foreign investment projects, Vietnam will soon become one of the most attractive countries for foreign investors. In the long run, Vietnam will be on the top list of Japanese investors."

[Correspondent] When and on what conditions will the Japanese private sector launch a large-scale investment in Vietnam?

[Yushita] "The most important thing that Japanese investors think about when investing in Vietnam is whether their projects will last long and bring about a good profit. The key factors for achieving this goal require political stabilization, a favorable condition for investment, progress in building infrastructure, revision of old laws, simplifying administrative procedures, and diversifying areas of investment. Moreover, the Japanese market and development of the international situation related to Vietnam are also important factors. Vietnam and Japan are pretty close geographically, both share similar culture, and enjoy a time-honored relationship. As a result, the two peoples have maintained very close relations. During the past decade, however, the Japan-Vietnam relationship was not developed actively. Nevertheless, I am glad to say that in recent years the relationship between the two nations has developed remarkably and is in line with the general change in the world situation. Particularly, in the fall of 1992, Japan resumed its official development aid for Vietnam. As a result, the Japan-Vietnam relationship has entered a new stage. These achievements were attributed to great efforts by responsible officials. I am very elated to see that efforts by leaders of the two countries have become a reality. I believe that the two countries' relationship will be further developed, cooperation in various fields will be expanded, and a close friendship will be enhanced. I also believe that, in the 21st century, which is less than 10 years from now, the Asia-Pacific region—including Japan and Vietnam—will become one of the most prosperous regions in the world. I do hope that Vietnam will play an important role in the politico-economic domain in the Asia-Pacific region in the 21st century. I believe that the current renovation undertaking in Vietnam is a correct policy that will lead the country to the abovementioned trend. The Japanese Government supports Vietnam's reform and open door policy in the spirit of its renovative line. I think that it is the right time now for the Japanese Government to promote and expand the Japan-Vietnam relationship."

VNA Interviews German Foreign Minister Kinkel

BK2403141993 Hanoi VNA in English 1354 GMT
24 Mar 93

[Text] Hanoi VNA March 24—"Vietnam is an important factor in both political and economic terms", said German Foreign Minister K. Kinkel in an interview with VNA correspondent in Berlin on Monday. Mr. K. Kinkel is expected here for an official visit in early April, the first ever by a German foreign minister. He said he will take with him to Vietnam many economic experts in different domains.

He spoke highly of Vietnam's notable progress in the recent past in its external relations, in accelerating international and regional relations and taking an active part in the preservation of peace, especially in Cambodia.

He disclosed that Vietnam and Germany had initialed an agreement on investment promotion. The German

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foreign minister said that besides the political and economic fields, Germany wants to expand its relations with Vietnam also in the cultural and other areas.

Australia

Singapore Signs Defense Science Cooperation Pact

BK2403150893 Singapore Singapore Broadcasting Corporation in English 1100 GMT 24 Mar 93

[Text] Singapore and Australia will increase cooperation and have more joint projects in defense science research. This follows the Defense Ministry's signing of the agreement on cooperation in defense science and technology with the Australian Defense Department in Canberra today. The ministry said such an agreement would provide an avenue for its defense scientists to widen their knowledge and skills.

Fiji

Rabuka: Indigenous Interests Paramount Over Indian

BK2203094593 Hong Kong AFP in English 0933 GMT 22 Mar 93

[Text] SUVA, March 22 (AFP)—The ethnic Indian community in Fiji must accept that the interests of indigenous Fijians are paramount, Prime Minister Sitiveni Rabuka said.

Rabuka said on national television late Sunday that he had invited the Indian-dominated opposition to join a government of national unity to help rebuild confidence between the races in Fiji, shaken by a military coup carried out by Rabuka himself in 1987 and by a new Constitution in 1990 which guarantees political power to native Fijians.

"The parting point has to be the acceptance by the Indians and other communities in Fiji that the interests of indigenous Fijians and Rotumans must always be paramount," Rabuka said.

The new constitution reserves 37 seats in the 70-member parliament for indigenous Fijians although they make up slightly less than half the population of 720,000; another seat is reserved for the inhabitants of the remote Polynesian island of Rotuma.

Indians, who are almost as numerous as Fijians, have 27 seats; five are filled by Europeans and other minorities.

The opposition National Federation Party (NFP) and Fiji Labour Party (FLP) have already accepted the proposal to join a national unity government, made by Rabuka during his budget speech to parliament in November.

The chairman of a cabinet sub-committee appointed to examine the proposal told the independent radio station FM96, meanwhile, that if there was a government of national unity, it would have to be within the framework of the 1990 Constitution.

In the interview, Co-Deputy Prime Minister and Minister for Foreign Affairs and Civil Aviation Filipe Bole

denied a newspaper report that the sub-committee would advise the Great Council of Chiefs to reject Rabuka's "genuine proposal" when it meets in May or June.

Military Training Agreement Signed With France

BK2303054693 Melbourne Radio Australia in English 0500 GMT 23 Mar 93

[Text] France and Fiji have reached an agreement on a military training exchange. A Fiji training team of platoon size, about 35 men of all ranks, will be based in New Caledonia during May and June.

The French ambassador in Suva said such an agreement would not have been possible in the past because of regional sensitivity over deaths of Kanaks in New Caledonia under French colonial rule. After the Fiji military coups in 1987, when Britain, Australia, and New Zealand cut military assistance to Fiji, France provided some military equipment.

New Zealand

Power Struggle Seen in Unpopular Ruling Party

BK1903030093 Hong Kong AFP in English 0212 GMT 19 Mar 93

[By Michael Field]

[Text] Wellington, March 19 (AFP)—Facing record low opinion-poll ratings eight months out from a general election, New Zealand's ruling National Party is showing signs of panic and worry about the competence of Prime Minister Jim Bolger.

As parliamentary insiders, aided by a willing opposition Labour Party, generate rumours of a possible leadership coup, Bolger, who is in Russia watching President Boris Yeltsin's own leadership struggle, denies there is a challenge against him.

"I have been in quite constant communication with my deputy, who is of course looking after the ship while I am overseas," Bolger said from Moscow on Friday.

His deputy, Foreign Minister Don McKinnon, Justice Minister Doug Graham and Labour Minister Bill Birch are prominent names mentioned here as possible replacements for Bolger.

THE NEW ZEALAND HERALD, in its Friday lead story, said there was no suggestion that Bolger's position is under threat.

But it added: "The unmistakable message delivered by a significant number of nervous MPs was that the prime minister has urgently to address his personal style and take immediate steps to reshape the image of his cabinet."

It said Bolger was under heavy pressure to dump Finance Minister Ruth Richardson and Health Minister Simon Upton.

Creating the impression of a crisis is the coincidence of a number of politically sensitive issues coming to a climax while Bolger continued a two-week trip that included Ireland, Britain, Belgium, Poland and Russia.

Richardson is trying to introduce a tough new entertainment tax so broad that the army would have to pay tax on rations, and she is also seeking a new depreciation regime for companies.

New Zealand's long-standing free health care system is meanwhile facing radical change, with patients facing complex new administrative changes that Upton is having difficulty explaining.

On top of that, Winston Peters, the member of parliament who, according to opinion polls, most New Zealanders would prefer as prime minister, was last week kicked out of the National Party.

This week Peters resigned from parliament to force an April by-election.

The key problem, however, is opinion polls indicating that Bolger and the government could not, if an election was held now, win. An election must be held by November.

A Television New Zealand poll last week showed of those with an opinion, 46 percent said they would vote Labour while the government was favoured by only 28 percent. On personal popularity, Peters rated 25 percent approval, Labour leader Mike Moore 19 percent, and Bolger eight percent.

The sudden jitters occurred Thursday when government MPs held a caucus, leading to unconfirmed reports that Richardson has had to do a U-turn on her tax proposals.

The conservative Wellington daily, the DOMINION, waded into Bolger. In a Thursday editorial, it said Bolger needed to restore "some order and cohesion ... or stand aside for a new leader who will".

It said the government is looking like losing the election, and Bolger would have to take the blame.

"Mr. Bolger has undoubted abilities, but many of his colleagues must be wondering when he will demonstrate leadership skills," the newspaper said. "If he cannot, he should stand aside and let someone else have a go."

Bolger Replaces Health Minister

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[Text] Wellington, March 25 (AFP)—Prime Minister Jim Bolger, facing record low opinion poll ratings, reshuffled his cabinet here Thursday, replacing health minister Simon Upton.

The new health minister is to be the current employment minister, the third highest ranking cabinet member and close Bolger friend, Bill Birch.

Radical changes to the wholly state funded and operated medical system here are proving electorally damaging to the Bolger government which must face a general election by November this year.

As part of the shakeup Crown Health Enterprises Minister Paul East, responsible for the privatization of parts of the health system, loses his responsibility as leader of the house, which will be taken over by Deputy Prime Minister Don McKinnon.

Upton becomes an associate minister of finance and retains his science portfolio.

Upton told reporters he had offered to stand aside because he believed he was not the right man for the health job.

"Mr. Birch has a very different approach to politics. I'm not a streetfighter," he said. "Bill Birch is a superb political operator."

Bolger denied that the cabinet changes were the result of backbench pressure, and he emphatically denied that the caucus delivered any ultimatum that his own leadership would be challenged if he did not shake up the cabinet.

